Walaa Maher
The Working Bee

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Africa Supply Chain & Logistics

Working-Bee View on Africa Supply Chain Post-Covid & Geo-politics Issues

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About Author

Walaa Maher is the General Manager, Group Supply Chain Operations at RAK Ceramics, The GCC & LAN Director, End-to-End Supply Chain at Kimberly Clark (KC), and the CEE & MEA Material Supply Chain Manager at Procter & Gamble (P&G). He hails from Egypt and has over 20 years of end-to-end Supply Chain experience in the MEA Region. He has led diverse workstreams with two of the top Fortune 500 blue-chip companies and currently Leading 1,200 employees in the largest Ceramics Industry group in the world.

Mr. Maher's career includes stints in pro-bono consulting, quality assurance, Planning, Supplier management, procurement, and logistics jobs; ranging from planning analyst to direct supervision of Planning teams to Senior Manager and looking after a region of over 70 countries with P&G (AKA Procter and Gamble or the Giant FMCG Company), and Supply Chain Director at Kimberly Clark (Well-known of its Kleenex/Scott Brands).

He is proud of the years he spent building the Core skills of Material Supply management in P&G, Inbound or the Distribution footprint in Nigeria, and Later the Transformation Agenda in KC Bahrain from Producer to the largest supplier for Jumbo Hard rolls in GCC.

Mr. Maher believes in hands-on knowledge supported by extensive reading and being up-to-date on what is happening in the industry. The idea, according to him, is "Not to Know it all," but at least "Know who can lead with you ALL the changes."

He started steady steps as a pro-bono speaker and consultant for Supply Chain design and trends within the Middle East and Especially the MENA region In 2008. Supported by an amazing wife and family, they devote their vacation time and weekends to enable him to reach over 400 hours annually of speaking events. In addition, he has been able to share his ideas and training process with diverse seniority groups across the board with the help of P&G teams and dedicated friends.

He is always delighted to help the young learners of the SC world in their first steps to this world. Through the WAMDA slogan "Be Unstoppable" and Interactive sessions, they've presented their group and his ideas in different places in Egypt, then Arab Peninsula, and from there to Western Europe, Asia, Africa, CEE & USA.

Favorite topics he speaks on include; "Supply Networks Restructure" and "Pay it Forward on Talent," in several places, many of which his lovely family accompanied him. he has been privileged to carry out speaking engagements at many universities, Including FRANCE (KEGDE Business School), BELGIUM (Integrated Supply Chain Summit), ITALY (Serve Italy Smarter Workshop), The USA, AZ (Supply Chain Insights Global Summit), etc.

Mr. Maher is known to be a proud "learner," and as he does say, "I am only "Good" because I was blessed by the "GREAT" people around me."

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Introduction

Africa Is a phrase that defines a neat box constrained by geographical limitations. Nevertheless, what ideas does the name of this continent induce? Your unique experiences and exposure form your mental images of Africa. If you grew up there, your picture is unlikely to be recognized across the continent. Imagine your father and his friends

sitting on mats outside your house, talking about mangos. Images of city traffic and the yells of vendors selling soft beverages, newspapers, tissues, plantain chips, and peanuts flood your head. You are transported to a boarding school as you press your uniform, scrambling to line up before the prefect notices you are late. If you are not African and have never visited the continent, these images are unlikely to stick with you. Whether favorable or unfavorable, your thinking of Africa will likely be influenced by media, education, and imagination. Regardless of your perception of Africa, this book aims to enlighten you on some fundamental facts about Africa and its economic evolution over time.

Africa is the world's second-largest continent (after Asia), covering around one-fifth of the planet's total land area. The Atlantic Ocean borders the continent on the west, the Mediterranean Sea on the north, the Red Sea and the Indian Ocean on the east, and the mingling waters of the Atlantic and Indian seas on the south. Africa's entire land area is roughly 11,724,000 square miles (30,365,000 square km), with a north-south distance of 5,000 miles (8,000 km) and an east-west distance of 4,600 miles (7,400 km. Al-Ghrn Point, near Al-Abya Point (Cape Blanc), Tunisia is its northern extremity; Cape Agulhas, South Africa is its southern extremity; Xaafuun (Hafun) Point, near Cape Gwardafuy (Guardafui), Somalia is its farthest point

east; and Almadi Point (Pointe des Almadies), on Cape Verde (Cap Vert), Senegal is its western extremity. Until the Suez Canal was built, Africa connected Asia by the Sinai Peninsula in the northeast. Surprisingly, Africa's coastline is shorter than Europe's, at 18,950 miles (30,500 kilometers), due to the lack of inlets and big bays or gulfs.

The continent of Africa is situated around three stable zones of ancient mountain formations known as "cratons": The North West African craton in the western Sahara Desert, the Congo craton in the Congo Basin, and the Kalahari (Kgalagadi) craton in southern Africa (Summerfield, 1996). For 590 million years, these cratons have been relatively stable, and their mountains have long since eroded down to their inner cores (Stock, 2004). Several islands off the coastlines of Africa are linked to the continent. Madagascar, one of the world's largest islands, is the most significant. Seychelles, Socotra, and other smaller islands are to the east; Comoros, Mauritius, Réunion, and other smaller islands are to the southeast; Ascension, St. Helena, and Tristan da Cunha are to the southwest; Cape Verde, the Bijagós Islands, Bioko, and So Tomé and Principe are to the west; and the Azores, Madeira, and the Canary Islands are to the northwest.

The Equator divides Africa roughly evenly, putting the majority of the continent in the tropical zone, defined in the north by the Tropic of Cancer and the south by the Tropic of Capricorn. The majority of Africa's territory lies north of the Equator due to the bulge generated by western Africa. The prime meridian (0° longitude), which passes east of Accra, Ghana, runs through Africa from north to south.

Covering 20% of the total land area on the planet, Africa is widely recognized as the birthplace of humanity. It had a population of population of Africa is 1,400,601,232 as of Tuesday, May 17, 2022 (according to Worldometer https://www.worldometers.info). The population of the continent has changed dramatically over time. As a result of the changing population, African landscapes and ecosystems have changed. While Africa is no stranger to environmental upheaval, it has increased in many other parts of the world. Examining specific examples of change in Africa can provide insight into the reasons for change, the resulting issues, and potential remedies. Earth observations, particularly those collected with satellite remote sensing instruments, are critical for this project.

Africa has a sizable domestic market with enormous potential. Even though Africa is home to 16.3% of the world's population, it accounts for only 2.9 percent of global production and 2.6 percent of global trade. There are significant economic development gaps between African and developed countries and African countries. Poverty persists in Africa, home to 32 of the 48 Least Developed Countries (LDCs). In recent years, intra-African commerce has risen to 15.4%. However, Asia and Europe continue to be the continent's primary trading partners. African countries have several obstacles, including a heavy reliance on primary goods trade, high product and market concentration in exports, and inadequate regional manufacturing networks.

Although global trade has fluctuated throughout time, it has also multiplied. However, trade structure and pattern differ substantially depending on the items and areas. Trade has brought benefits and challenges to the countries engaged, particularly in Africa, where primary and intermediate goods made up a large portion of exports. Because mature and recently industrialized economies have more robust technology and know-how, manufacturing industries, access to finance, and markets than Africa, they account for a larger share of global commerce. African countries, it may be said, have been left out in the cold as they try to compete with sophisticated economies. Africa has

struggled to be relevant in the global market, as this book has shown. However, its global proportion in merchandise trade has decreased throughout the years. This is mainly due to the continent's focus on a few primary commodities (mineral fuels, iron ores, gold, and cocoa beans), which have unpredictable prices and demand in global markets. The periodic global oil shortages and other raw materials are a wake-up call for Africa's competitiveness, requiring rapid industrialization and diversification. However, is Africa seizing the opportunity before her?

With over 1.4 billion people, half of whom will be under the age of 25 by 2050, Africa is a varied continent with human and natural resources that have the potential to generate inclusive growth and alleviate poverty in the region. However, the region comprises 22 fragile or conflict-affected countries with low, lower-middle, upper-middle, and high incomes. In addition, there are 13 minor states in Africa, each with a small population, little human capital, and a small land area.

Low performance in trade facilitation indices also stifles regional commerce and economic development. Many African countries, for example, have low e-commerce, linear shipping connectivity, and ease of

doing business indicators. Small, fragmented, and sometimes isolated marketplaces are part of the problem in Africa. Following independence, many African countries adopted development strategies that included the formation of Regional Trade Agreements purely to enhance trade structure, services trade, investment flows, trade facilitation, tariffs and non-tariff measures, and currency rates. Currently, Africa is covered by five trade agreements: The Southern African Development Community (SADC), the Economic Community of West African States (ECOWAS), the Greater Arab Free Trade Area (GAFTA), the East Africa Council (EAC), and the Common Market for Eastern and Southern Africa (COMESA) are among them (COMESA).

The goal is to provide flexibility by incorporating regulations that provide different obligations among members and differences in timelines to comply with commitments based on their members' varying economic capabilities. The principle of variable geometry, for example, enables the Treaty for the establishment of the East African Community's commitments to be implemented at different rates. The asymmetry principle allows for variation in economic integration measures, incorporating flexibility into the framework of RTAs. On the other hand, these trade agreements have overlapping memberships, complicating rather than strengthening

trade links among African countries. African countries are working to unify the continent by establishing a continental free trade zone.

With the world's largest free trade area and leveraging its population of 1.2 billion people, Africa is forging a new growth path by maximizing the potential of its resources and people. The Continental Free Trade Area Framework Agreement (CFTA), which 44 African countries signed in 2018, has lofty long-term aims to expand integration among African Union member states and develop a wealthy and united continent. The CFTA's key goals include facilitating, harmonizing, and better-coordinating trade regimes and eliminating the issues of having several and overlapping trade agreements across the continent. In addition, African economies expect that by signing this agreement, they will be able to improve their local sectors' competitiveness, realize economies of scale for domestic manufacturers, better allocate resources, and attract foreign direct investment.

Some African countries have begun recording successful stories and consolidating their respective economies. For instance, Egypt's road infrastructure, Rwanda's replacement of bureaucratic structures with an electronic system, Kenya's ease of access to credit

for businesses, Côte d'Ivoire's focus on the agrarian economy, Botswana's rating as the least corrupt country in Africa, the country's high foreign exchange reserves, and others. Other African nations are anticipated to join the train to a more sustainable economy. Regardless, The World Trade Organization (WTO) must ensure that defensive trade remedies are not the next frontier of protectionism. Finally, African countries should quickly open their markets to promote intra-African commerce to stimulate trade, growth, and development.

Against the African backdrop, this book sought to assess the performance and challenges of African trade in the current era of trade liberalization. The flexibility provided by establishing five trade agreements across Africa and the promising focus and objectives of the continental free trade zone is currently taking center stage. Also, the current state of trade improvement and the prospects for African countries.

AFRICA:
FACTS FIRST

Chapter 1
The Real Map - Spaces and Distances

Maps provide us with more information than just directions to the nearest restaurant or train station. For generations, maps have provided insights into various cultures, attitudes, and fears, allowing us to better understand the world around us and the past. Maps help to contextualize and illuminate what you have as written stories. They are graphic representations of where events occur. As a result,

maps and stories complement each other, yet until recently, they were sold separately rather than as a single presentation. Story maps make use of geography to organize and show information. They convey the story of a place, event, issue, trend, or pattern in a geographic context. Within intuitive user experiences, they blend interactive maps with other rich content—text, images, graphics, video, and music. While many narrative maps are intended for non-technical audiences, several can also be used by highly expert audiences.

At two years old, my dad used to sketch a map of my room with me. We would draw the bed, dresser, closet, door, and window, among other things. He would measure the area and scale-draw the map on graph paper, but he doubts I would be able to do it or understand it. However, It's a great start getting used to the idea of a paper representation of an actual area. Often we would retreat to the living room after that.

Then we would draw a floor plan for the complete house. Afterward, we began to map our house on our street and fill in the details. Though I knew next to nothing, I was only following his steps and direction. He was not disappointed because I was only a toddler and wasn't expected to learn to read a map the next day. He made it pleasant, informative, and brief so that I could enjoy it.

As I grew older, I had beautiful maps on the walls of my room, a globe on my desk, and pictorial representations of various places (similar to the aerial photos on Google Earth), so I was always seeing maps and familiarizing myself with them.

Though children don't remember vivid memories before the age of four (save for trauma), my dad maintained his routine until I was able to read maps. He always played map games, sang songs, and drew larger maps of our surroundings. He sketched up

the library, school, and other locations. He also showed me materials with a map, such as event programs, community service pamphlets, restaurant flyers, etc. "Check the map to make sure it's correct," he would say. I was already good with maps when I started learning them in school. Everything was easy for me to understand.

Even though the concept stayed with me, the reality is that everything I learned about mapping was not entirely correct since it was all based on the classic Mercator map projection. What many students and casual map readers refer to as a map is only a fabrication of our imagination—a distorted reality created to benefit imperial western colonial nations.

I didn't take note of this until much later when I had a job, and part of my responsibilities included mapping areas of our product's reach that included Africa.

Most people's world perceptions are still heavily influenced by the world's best-known and most widely recognized map. Any random map will show that the African continent is vast. Most casual map viewers considerably underappreciated Africa's vast landmass despite popular belief. This is because the well-known Mercator map projection distorts our geographical view of the world in a meaningful way, leading to misconceptions about the relative sizes of countries and continents. This Mercator map has been used to teach students about our world for the past 500 years. However, public schools in Boston have made a significant move that may affect your *worldview.*

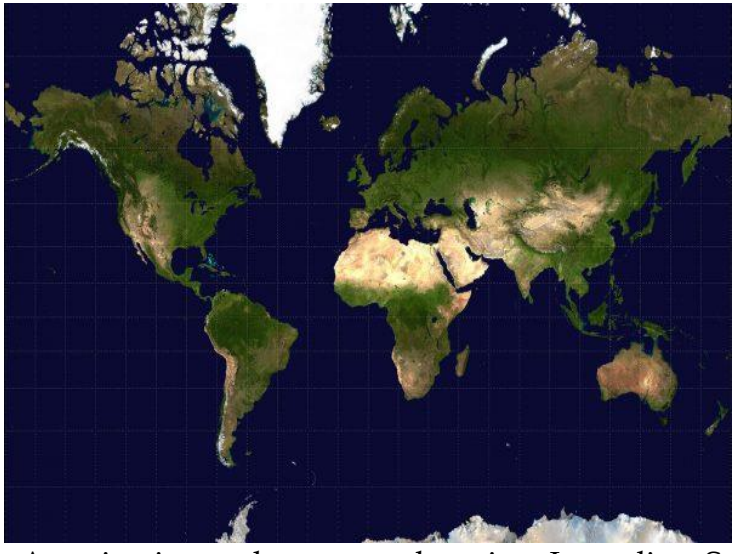
The shocker here is that it's all about control.

Most people are familiar with the old map from their childhood textbooks. The Mercator projection is what it's called. *Gerardus Mercator* created a universe in 1569 that was established along colonial lines. The

world's most powerful economic countries were granted room to stretch their border muscles on paper.

The Mercator projection. (source: Public domain)

What's the issue? It's not even close to scale. Mercator shifted the Equator, making Europe the center of the universe, which is incorrect. Although it may appear that way if you watch the news, North



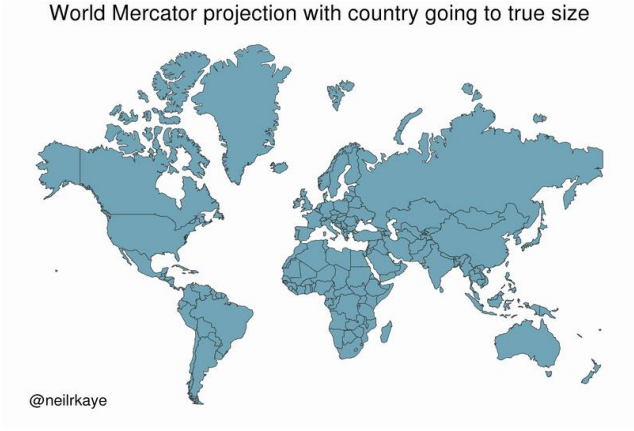
America is nowhere near that size. In reality, South America should be twice the size of Europe. Greenland should be 14 times smaller than Africa and three times

smaller than Australia, While Alaska looks to be three times the size of its big neighbor, Mexico.

The Mercator projection greatly exaggerates imperialist dominance at the expense of developing countries and continents like Africa, reduced to second-class status. The Northern Hemisphere is connected with riches and significance for a reason: it is literally on top, firmly engraved into our subconscious minds as superior from our earliest learning experiences.

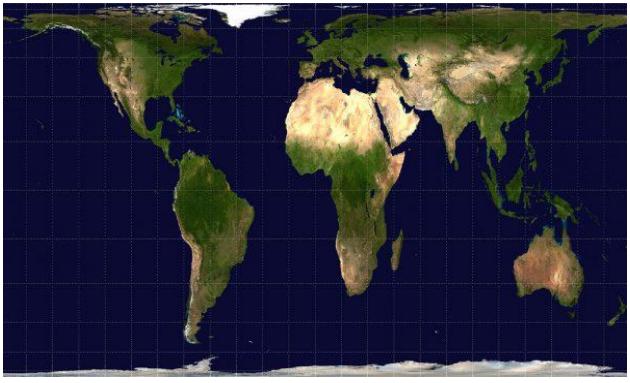
The misconception, surprisingly, is not that Africa is incorrectly sized, considering the issue with maps. The animation below shows that Africa is the most accurately sized continent when using the standard Mercator map projection:

The Mercator projection tries to fit the world's spherical shape onto a cylinder, stretching the areas closest to the poles. On this style of map, Africa, which straddles the Equator, rarely changes in size, whereas the countries furthest from the Equator become bloated from their accurate sizes. This is an intriguing dilemma to consider for those of us who live in Western countries.



This means that the relative sizes of European and North American countries are warped, providing us with an erroneous mental "measuring stick" for gauging other countries' relative proportions. This has

consequences not just for Africa but for the entire Southern Hemisphere: South America, India, the Middle East, and even Australia are "larger" than they look on the map.



There is, however, another map. A map that mocks the old world order is scaled without geographical prejudice and attempts to convey the truth—the Gall-Peters projection.

The Gall-Peters projection. (source: Public domain)

Dr. Arno Peters published it in 1974, known as the Peters projection. It's an "equal-area" map, which means it appropriately scales land according to the

surface area, producing a significantly more balanced picture of what the world looks like. It's based on the work of 19th-century Scotsman James Gall. It is entirely free of colonial prejudice.

It is critical to acknowledge here that no map is perfect. A two-dimensional representation of a spherical world will always be flawed. Even the word itself implies vulnerability; it derives from the Latin "Mappa," which means "napkin," and was initially used to describe the surfaces used to draw them. The Peters projection, too, has flaws: it can appear stretched because there isn't enough land to translate onto a flat map effectively.

And the issue isn't limited to the classroom or the general public consideration alone. Surprisingly, Google Maps is still using the Mercator projection. A wrong idea can spread like an infection on the internet when it inherits intrinsic bias. So the muttered

assumption that the West is somehow more significant and better than the rest of the world endures, softly, slyly, until international leaders can abruptly translate the unspoken precedent into speech that swivels between patriotism and nationalism in erratic lurches.

A map is the first step in any journey. Misdirection can, however, turn into misadventure if you start on the wrong foot. It's simple to become disoriented. The difficult thing is ensuring no one else follows in your footsteps.

Where is Africa?

A foundationally incorrect perspective of the world can be perpetuated if learned early on, as pupils naturally build information in light of a previous, incorrect understanding. A simple illustration of how we can get things wrong right away is our assumptions about the relative placement of Earth's continents. Everything is eventually taught, although certain strange geographic inaccuracies stick around longer than others.

Most of us have a mental map of the globe that we utilize whenever we think about locations. However, these mental maps aren't always accurate. Many of the maps in our thoughts have the same flaws, some of which are pretty substantial and surprisingly difficult to fix.

For example, we all know that South America is located south of North America. However, you might be astonished to learn that almost the whole South American continent is located east of Florida. According to cartographer John Nelson, there are various reasons for geographical misunderstandings. First, mental maps are inherently simplified, and Nelson believes the Americas' misplacement is partly due to their names. Besides, it's not called Southeast America.

So, what are some compelling locational errors that appear to come pre-installed in the minds of the

western populace that geography teachers struggle to overcome?

The Northiness of Africa

The majority of Africa is located north of the Equator, though, on many mental maps, it is mainly in the southern hemisphere directly across

the Atlantic from South America. COURTESY JOHN NELSON, ESRI

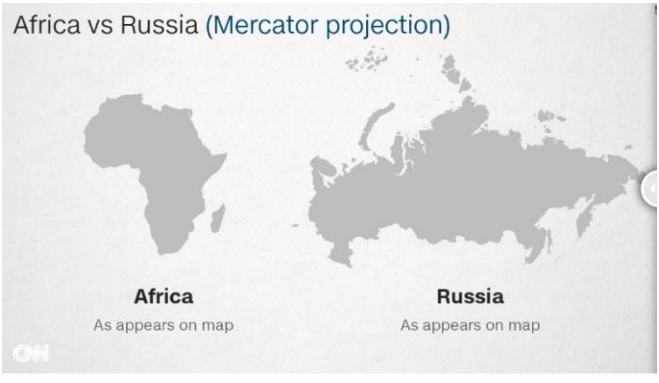
Africa is not just a big continent; it has enormous deserts, tropical savanna, and numerous dense rainforests, all of which are qualities that American students identify with subtropical Southern Hemisphere climates. While Africa does cross the Equator, many people are shocked by how far north it reaches. When viewed in the context of the Equator, this northiness becomes clear. Many people are stunned to learn that two-thirds of the continent is located north of the Equator. Many people mistakenly believe that Africa and South America are on the same continent.

However, Africa's northern coast runs as far north as Norfolk, Virginia, in the United States. Africa's southernmost coast runs roughly parallel to Buenos Aires, Argentina; South America extends another 1,400 miles south.

It is approximately 5,000 miles (8,000 kilometers) from north to south and 4,600 miles (7,400 kilometers) long from east to West. On the other hand, Russia has a maximum east-west extent of 5,600 miles (9,000 kilometers) and a north-south width of 1,500 to 2,500 miles (2,500 to 4,000 km).

A discovery that completely contradicted the original misconception promoted by the classical Mercator projection and perpetuated for generations by western academia and casual map viewers. The proper representation of both maps, taking into account the Russia end-to-end projection and the Africa coast-to-coast projection, reveals that Africa is nearly twice the size of Russia. While Russia remains the world's largest country, it is entirely incorrect to consider it larger than all of Africa. The introduction of the Peters projection in Boston is part of a larger initiative to eliminate bias in education. "We allow

pupils to see the world in a new perspective by bringing the Peters projection maps — an equal area representation — into classrooms." Boston Public Schools' social studies head, Natacha Scott, noted. The map below provides a detailed representation of Russia's graphical size compared to Africa.

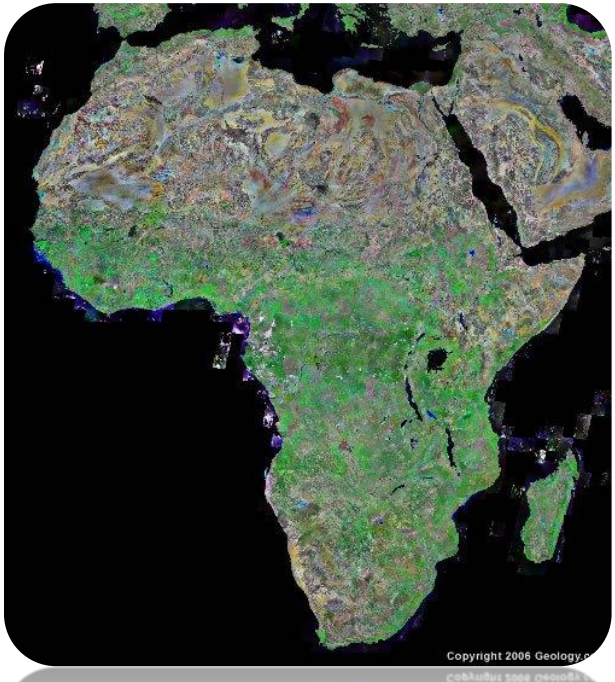


A distorted version of the map of Africa as compared to Russia courtesy of Mercator Projection

The actual size of the map of Africa as compared to Russia.
(source: edition.cnn.com)

Hence, to effectively map out transactional areas in Africa, eliminate bias and work with an accurate representation of Africa, it is necessary to explore geography and raise awareness of their relationship to other countries, communities, cultures, and individuals worldwide. Don't just create a mental image; verify all necessary data to be sure.

Satellite Image of Africa (Credit: Geology.com)



The map above depicts the African continent's physical geography. The Ethiopian Highlands in eastern Africa, the Atlas Mountains on the northwestern coast, and the Drakensberg Range on the southeast African coast are significant mountainous ranges. The plate tectonics process is tearing Eastern Africa apart. Lake Tanganyika and Lake Nyasa, which occupy its deepest points, highlight the enormous African Rift Valley. Historic rifting opened the Red Sea and separated Madagascar from the rest of the continent.

Drainage patterns reveal Africa's varied climate. The Sahara Desert is a vast, arid region of Northern Africa. The only large river that successfully traverses the desert is the Nile. However, several rivers flow through central Africa, just south of the Sahara.

CHAPTER 2
Africa Countries, Trade Agreements Quick overview

Introduction

Economic transformation is a critical prerequisite for African countries to reap the full benefits of globalization. The level of inclusiveness and the sustainability of the development pathways, among other factors, influence the transformation process's development outcomes. Leveraging on experiences since the new millennium, Africa has seen fast and sustained high levels of economic development, and advised by the policy discourse that preceded the formulation of the unified African place on Sustainable Development Goals. As a result,

African countries have embarked on a transformation journey in which they want to capitalize on their comparative advantages.

The transformation route outlined in Africa's Agenda 2063 is based on structural change, with a stronger emphasis on industrialization. An abundance of natural resources, the worth of which can be increased before use or trade; a potentially significant continentally integrated market; a population that is young, healthy, and educated; accelerated urbanization accompanied by falling transportation and communication costs due to increased public infrastructure investment; and rapidly falling energy costs, particularly in renewables, are among the comparative advantages in support of the envisaged structural transformation.

Despite the well-defined economic path and current comparative advantages, Africa is unlikely to

reap the full benefits of its transformation process without trade. Fortunately, trade's importance as a development instrument in Africa is undeniable. Past and current development initiatives have attempted, with varying results, to tap latent economic potential through trade. Market integration has always been at the heart of efforts to achieve an integrated and flourishing African market as part of the regional integration process as a development imperative in Africa. Contrary to popular belief, Africa is on pace to implement the Abuja Treaty. The Greater Arab Free Trade Area (GAFTA), Market for Eastern and Southern Africa(COMESA), Economic Community of West Africa States (ECOWAS), East African Community (EAC), and Southern African Development Community (SADC) and the launch of the Continental Free Trade Area (CFTA) negotiations are examples of efforts to address speed bumps that could slow the process.

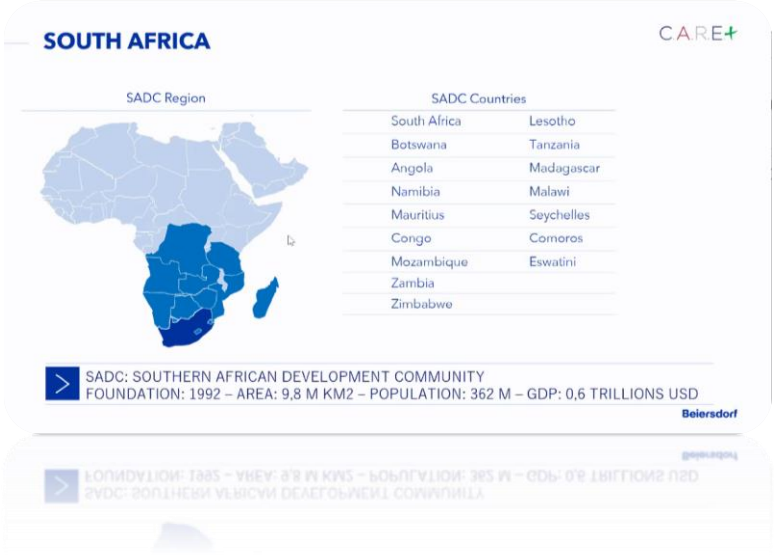
This chapter entails examining an overview of the free trade agreement Africa has been involved in and the prospects of current initiatives such as the CFTA. Based on the evidence, the chapter contends that Africa can industrialize by leveraging the continental market and undergo a structural transformation in which services play a critical role. But, for this to happen, Africa must fully utilize regional integration while also making the most of the opportunities provided by the multilateral trading system. It also points out that in a global political-economic context with a plethora of trade agreements, the sequencing of actions and the scope of the agreements are important determinants of the final development outcome.

The Five Trade Agreements in Africa

Southern Africa Development Community (SADC)

Southern African Development Community (SADC), previously the Southern African Development Coordination Conference (1979–92), is a regional organization of southern African countries that promotes economic cooperation and integration among member countries while maintaining economic independence. Angola, Botswana, Comoros, Eswatini, the Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia, and Zimbabwe are the member countries. It is a broad list of countries, ranging from least developed countries to small island and land-locked states and those with large landmasses and resources and significant potential. The first conference took place on the eve of Zimbabwe's (Rhodesia's) independence under black majority rule in 1979. The activities of the SADC are coordinated at annual conferences of the heads of government and a council of ministers from

all member countries. SADC's primary goals are to achieve development, peace, security, and economic growth, alleviate poverty, improve the standard of living and quality of life of Southern Africans, and assist the socially disadvantaged through regional integration based on democratic principles and equitable principles and sustainable development. The SADC plans, coordinates, and funds various agriculture and animal husbandry projects, energy, mining, disease control, telecommunications, and regional trade.



SADC countries are a growing family with dynamic complementarities and the ability to join as a trading bloc, ready to take on the opportunities and difficulties that globalization and the international trading system bring. SADC also represents a group of countries united in their determination to build a better future.

The body recognizes that regional political unrest can draw focus away from its economic integration efforts. As a result, the region has worked hard to maintain political stability to attract cross-border and foreign direct investment. As a result, SADC is working to establish itself as one of the world's safest and most secure investment locations.

The region's resources are abundant, ranging from its people's rich historical and cultural heritage to stunning natural features, such as the Tsodilo Hills in Botswana, Virunga National Park in the Democratic Republic of Congo, Lake Malawi National Park, the Island of Mozambique, the Ngorongoro Conservation Area, Kilimanjaro National Park, and Zanzibar Stone Town in Tanzania, and the Greater St. Lucia Wetlands Park in South Africa, Victoria Falls in Zambia and Zimbabwe, as well as the Great Zimbabwe National

Monument and Mana Pools National Park in Zimbabwe, are just a few of the attractions.

Projects to upgrade existing rail and road networks between member nations were part of the SADC's first goals, allowing member states to minimize their reliance on South African ports and transportation routes to ship their imports and exports. As a result, these developments considerably improved the region's transportation infrastructure. However, after South Africa gained majority black rule in 1994 and joined the SADC, the organization's aim switched to increased regional economic integration.

Its leaders approved Vision 2050 at the 40th Summit, based on a solid foundation of Peace, Security, and Democratic Governance and based on three interconnected pillars: Industrial Development and Market Integration, Infrastructure Development

in Support of Regional Integration, and Social and Human Capital Development.

On the economic front, SADC successfully established the Free Trade Area in 2008, which improved intra-trade. Intra-SADC trade increased from 16.3% in 2008 to 21.6% in 2016, then declined to 20.0% in 2017 and 19.3% in 2018.

While results have been uneven, and progress has been delayed at times, there is optimism that intra-SADC trade will rise and that the Member States will improve their competitiveness by addressing supply-side limitations, particularly by strengthening cross-border infrastructure cooperation. The focus has now shifted to industrialization. Despite having a Free Trade Area, the region is aware that it needs to improve its competitiveness and productive capacities to take advantage of the free market it has constructed.

SADC's strength is peace and security, and the region has established mechanisms for conflict management and resolution, allowing it to intervene and support the SADC Member States such as the Democratic Republic of Congo, the Kingdom of Lesotho, and the Republic of Madagascar, where it had achieved success in restoring stability and constitutional normalcy—making it a haven for economic development and easy trading.

The Greater Arab Free Trade Area (GAFTA)

Over the past half-century, the international economic system has become increasingly integrated and competitive, and in the far north of Africa lies the Arab states, which are now more active than ever in negotiating trade agreements worldwide. Nonetheless, economic stagnation has been a

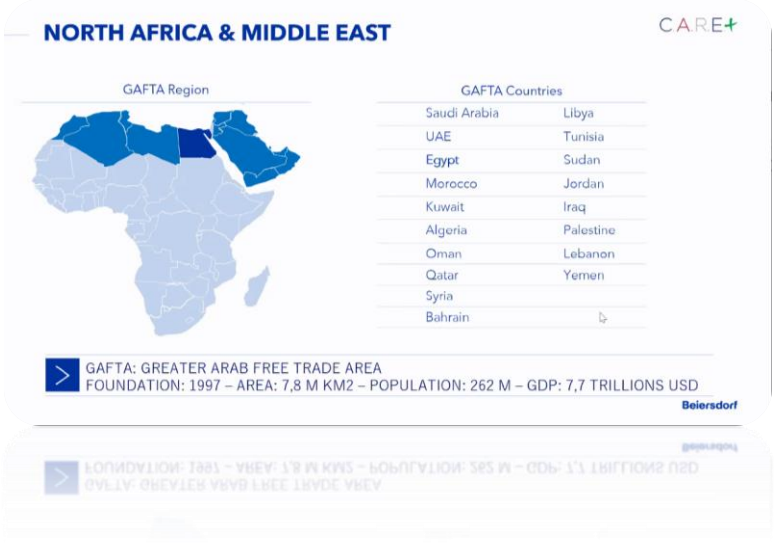
persistent issue in areas of the Arab world, prompting some prominent regional leaders to commit to more inter-regional collaboration and progress. Rising to these international challenges, the Greater Arab Free Trade Area (GAFTA) was established as the most far-reaching trade pact ever adopted in the Arab world. The initiative has been signed by eighteen of the League of Arab States' twenty-two members. The pact aims to foster an all-encompassing, inclusive trading system among Arab countries. GAFTA's objectives include eliminating tariffs, reducing monetary and administrative non-tariff obstacles, agriculture market liberalization, and the expansion of subregional and bilateral trade agreements. Member states are also likely to participate in a consultation on technology and research collaboration.

In 1997, fourteen Arab countries signed an agreement to create the Greater Arab Free Trade Area (GAFTA). The significant clauses dealt with the

gradual removal of tariff and non-tariff barriers (NTBs) to intra-GAFTA manufacturing trade. GAFTA gave Agricultural products special consideration - during the harvest season, each country could omit up to ten agricultural products from the agreement. Furthermore, origin rules were set at 40% of the total value contributed. The agreement's final provisions ensured compliance with WTO standards and delays for the least developed Arab countries. The tariff removal was completed on January 1, 2005, though several countries only reduced NTBs partially.

GAFTA is a trade agreement that currently includes 18 nations from Western Asia and Northern Africa. The total area of all member nations is 4.42 million square miles (1.46 million km2), with 413.68 million people. This equates to 7.6% of the world's livable area and 5.3 percent of the global population. They account for roughly 2.9 percent of the global economy, with an annual economic production of

2,434.52 billion US dollars. At last count, the total value of these 18 countries' exported goods was $589.89 billion US dollars each year.



Although, the lack of progress in reducing non-tariff barriers (NTBs) also prevents deeper economic cooperation among MENA countries. While tariffs went down to zero, there is little sign that other red tape has been removed. While tariffs have been removed, it was indicated in a firm-level survey done

post-GAFTA in nine Arab nations that red tape and transportation frictions are still quite significant. The average tariff equivalents of NTBs in MENA nations, according to Peridy and Ghoneim (2013), are still significant post-GAFTA.

The substantial and well-known economic benefits of this extensive regional integration are considerable. Because trade restrictions have been removed, GAFTA members are likely to promote intra-regional commerce first. Second, production efficiency will likely experience improvement by taking advantage of comparative advantage and economies of scale. Third, competition within domestic markets will be boosted by increased product variety and lower pricing for consumers. Fourth, thanks to lower import prices, the terms of trade are likely to improve. Finally, through the dynamic impacts of regional integration, GAFTA should contribute to increased economic growth.

When looking at regional trade statistics, it is startling that intra-GAFTA exports have expanded at a higher rate than global exports, especially in recent years. For example, intra GAFTA exports surged by 15.1% annually on average from 1997 to 2005, while world exports only increased by 7.9%.

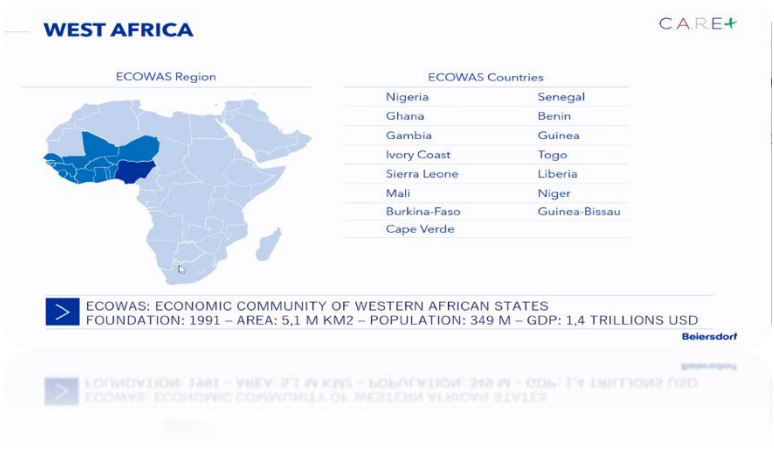
GAFTA - ALGERIA VIA MOROCCO
CARE+
GAFTA Region
Morocco is a preferred location for manufacturing and consolidation in north Africa
Algeria and Morocco relationship are very unstable
Many difficulties to move products between countries
Easier to import directly from Europe
EVEN IF THERE IS A FREE TRADE AREA, COUNTRIES INSIDE THE AGREEMENT MAY HAVE DIFFERENCES CREATING BARRIERS FOR THE FREE FLOW OF PRODUCTS
Beiersdorf

GAFTA has a favorable impact on intra-regional trade volume. However, there are some distinctions between countries and industries. Almost all nations have benefited from beneficial trade impacts, except Lebanon, where the enterprises surveyed complained about energy price discrepancies caused by subsidies in other GAFTA countries. As a result, Lebanese businesses face an unfair competitive disadvantage in the GAFTA regional market. Regarding industry-specific effects, GAFTA has benefited the food and chemical industries, whereas textile and clothing have not benefited as much from intra-regional trade liberalization for various reasons (increased NTB, dumping, lack of differences in production costs, and consumer tastes across countries, etc.)

Economic Community of West African States - ECOWAS

The Economic Community of West African States - ECOWAS was formed in 1975 as a regional grouping of fifteen countries. Its goal is to foster economic integration in economic activity, particularly industry, transportation, telecommunications, energy, agriculture, natural resources, commerce, monetary and financial issues, and social and cultural issues. Its founding members include Benin, Burkina Faso, Cabo Verde, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo. See the chart below:

The Economic Community of West African States - ECOWAS has the following institutions:



- *The Commission*
- *The Commission Parliament*
- *ECOWAS Bank for Investment and Development*
- *Community Court of Justice (EBID)*

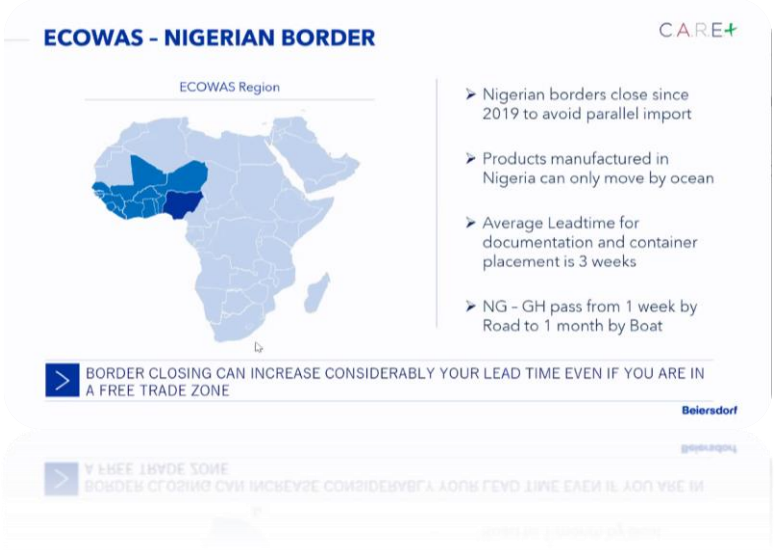
ECOWAS aims to encourage collaboration and integration. To create an economic union in West Africa to elevate people's living standards, preserve and improve economic stability, encourage

connections among member states, and contribute to its progress and development. While its objectives were initially limited to economic cooperation, ECOWAS's scope of the cooperation was revised and expanded to include the promotion and reinforcement of good neighborliness to maintain regional peace, stability, and security.

Though ECOWAS' concern is to encourage economic cooperation among member states, it has also sought to resolve some security concerns by establishing a regional peacekeeping force. In addition, in 1990, ECOWAS formed its free trade zone, and in January 2015, it approved a common external tariff.

Border closures negatively impacted trade among ECOWAS member countries. For example, Nigeria's border blockade on Benin has been so enormous that the Benin government had to implement an intrepôt trade to benefit from the

Nigerian economy. Because the two economies are so interwoven, border restrictions have a detrimental impact on traders, particularly informal traders, along the Benin-Nigeria border. Indeed, this informal trade creates significant wealth and jobs in Benin, and the government of Benin earns significant revenue from entrepôt trade—goods imported lawfully and either legally re-exported to Nigeria or illegally diverted into Nigeria through smuggling.


ECOWAS - NIGERIAN BORDER
CARE+
ECOWAS Region
Nigerian borders close since 2019 to avoid parallel import
Products manufactured in Nigeria can only move by ocean
Average Leadtime for documentation and container placement is 3 weeks
NG - GH pass from 1 week by Road to 1 month by Boat
BORDER CLOSING CAN INCREASE CONSIDERABLY YOUR LEAD TIME EVEN IF YOU ARE IN A FREE TRADE ZONE
Beiersdorf

ECOWAS included a framework for resolving inter-state problems in the initial plan. Nonetheless, the area and ECOWAS were caught off guard by crises in the 1990s. As a regional organization, ECOWAS was forced to respond to the crises, diverging from its fundamental objective of commerce and economic cooperation. Nevertheless, the impromptu mobilization and deployment of ECOWAS forces provided lessons for the future, and it established a framework mechanism for conflict resolution, prevention, and peacekeeping. This was used in the second Liberia crisis and appeared to be more effective, professional, and coordinated than earlier responses.

However, ECOWAS has remained weak in the conflict cycle's prevention phase, and low capacity continues to constrain the region's post-war capacities.

As a result, ECOWAS welcomed the help of the UN Peacebuilding Commission.

ECOWAS has worked to promote sustained economic development in the West African region through the implementation of the Community work program, resulting in a greater entrenchment of democratic culture, increased efficiency in conflict resolution, and crisis prevention and resolution, as evidenced by the restoration of stability to the member states embroiled in conflict over the years.

The interests of more than 300 million ECOWAS residents are now being met by the rapid implementation of sectoral wealth creation programs.

Looking ahead, progress has been made in macroeconomic policy harmonization, the implementation of the Common External Tariff (CET),

multilateral surveillance, research and youth empowerment, trade liberalization, Customs union, favorable industrial policy, mines development, agriculture, and the environment, infrastructure-transport, telecommunications, and energy. When finished, the Abidjan-Lagos Highway Project will contribute to the ECOWAS Regional Integration Agenda by stimulating investments, reducing poverty, improving security, and improving accessibility throughout the region.

Some of ECOWAS's critical achievements throughout the years across all sectors include:

- The ECOWAS Convergence Council adopted the Macroeconomic Convergence Report; • The establishment of the ECOWAS Monetary Institute (EMI); and • The adoption of methodological guidelines for the harmonization of Public Finance Statistics, Government Financial Operations Tables

(TOFE), External Trade Statistics, Balance of Payment (BOP), and International Investment Position (IIP).

- The review of the Sahel Strategy paper and accompanying action plan to strengthen regional security has been completed.
- Development of an ECOWAS Common Trade Policy (CTP) and a Trade Development Strategy for ECOWAS
- The signing of 13 member countries completed the Economic Partnership Agreement (EPA).
- With the adoption of the CET by eight member-states, a customs union is in the works.
- Freedom of movement of commodities and people with the introduction of the ECOWAS Biometric Identity Card to improve mobility and security in the area. Etc.

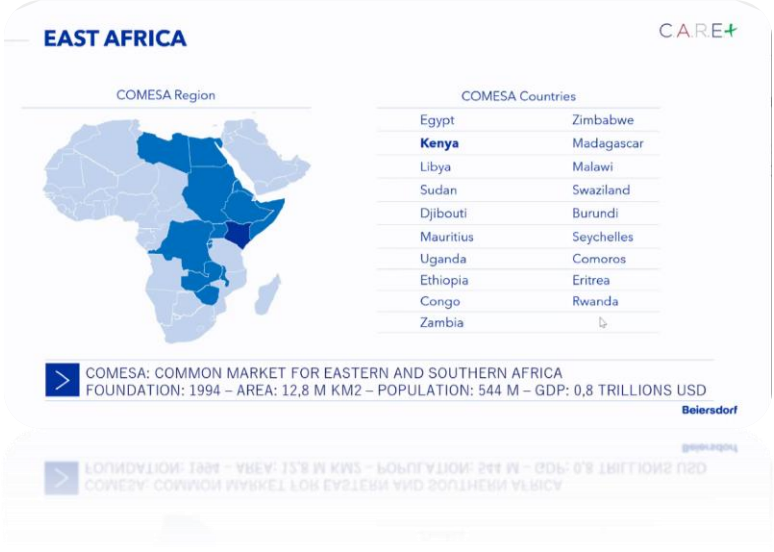
The ECOWAS Commission and Bank for Investment and Development, commonly known as The Fund, are the two principal entities in charge of

implementing policies, implementing programs, and carrying out development projects in member states. Intracommunity road building and telecommunications and agricultural, energy, and water resource development are examples of such initiatives.

Today, ECOWAS operates regularly, with four pillars: peace and security, infrastructure development, policy harmonization (to enable trade), and good corporate governance. The West African Customs Union, which will go into force on January 1, 2008, is one of its ongoing initiatives. It will connect regional trade and increase processed goods exports, creating jobs. In addition, a significant emphasis is on assisting member states in understanding that sticking to the supranational level will benefit the national level.

Common Market for Eastern and Southern Africa - COMESA

The Common Market for Eastern and Southern Africa - COMESA is Africa's most significant regional economic organization, with 19 member states and over 390 million people. COMESA has a free trade zone with 19 member states and established a customs union in 2009.



The Common Market for Eastern and Southern Africa (COMESA) is a free trade zone that stretches from Libya to Zimbabwe. COMESA was formed after a treaty on November 5, 1993, in Kampala, Uganda, and ratified on December 8, 1994, in Lilongwe, Malawi. It succeeded the earlier Preferential Trade Agreement (PTA) of 1981. COMESA was formed as an "association of free, independent sovereign governments that have resolved to collaborate in developing their natural and human resources for all their people. However, its primary focus is on establishing a substantial economic and trading entity capable of overcoming some of the trade obstacles erected within individual states because of its economic and historical foundation.

COMESA - SUDAN VIA EGYPT
CARE+
COMESA Region
Sudan port has been a hazzle for several years for importation
Bring product from Europe to Egypt, Alexandria
Transport via truck to Karthoum (56 hours)
Free pass in Egypt and Customs Clearance at the border
USE FREE TRADE ZONES TO MOVE PRODUCTS VIA ROAD WHEN OCEAN ROUTES OR PORTS ARE NOT AVAILABLE
Beiersdorf

The current COMESA strategy might thus be summarized as "economic success through regional integration." COMESA is a key market area for internal and external trading, with 21 Member States, a population of over 583 million, a Gross Domestic Product of $805 billion, and a global export/import trade in goods worth US$ 324 billion.

COMESA, with a land expanse of 12 million square kilometers, accounts for about two-thirds of the African continent (sq km)

COMESA provides numerous benefits to its members and partners, including:

1. A larger, unified, and competitive market
2. Improvements in industry productivity and competitiveness
3. Enhanced agricultural output and food security
4. More logical use of natural resources
5. Improved monetary, banking, and financial policies

Core value

COMESA's fundamental values have been formed during its 20-year existence. As a Regional Economic Community (REC), its commitment to these critical values begins with the diversity of its employees, drawn from the 21 member countries, and extends throughout the organization. These essential values are as follows:

1. Value for client satisfaction.
2. Proud reputation for providing services with professionalism, ethics, and creativity.
3. Outstanding leadership, teamwork, and mutual respect in a supportive atmosphere.
4. Environmental concern and upholding social responsibility.
5. Improved transportation and communication infrastructure

East Africa Council (EAC)

The East African Community is a regional intergovernmental organization comprised of seven member countries: The Democratic Republic of the Congo, Kenya, Burundi, Rwanda, Uganda, the United Republic of Tanzania, and South Sudan, and its headquarters is in Arusha, Tanzania.

The EAC is home to around 300 million individuals, with more than 22 percent living in cities. With a land size of 4.8 million square kilometers and a combined Gross Domestic Product of US$ 240 billion (EAC Statistics for 2019), its realization has significant strategic and geopolitical implications, as well as hopes for a renewed and revitalized EAC.

The EAC's activity is guided by the Treaty that founded the community. It was signed on November 30, 1999, and entered into force on July 7, 2000, ratified by the original three Partner States, Kenya, Tanzania, and Uganda. The Republics of Rwanda and Burundi ratified the EAC Treaty on June 18, 2007, and became full members of the Community on July 1, 2007, respectively, while the Republic of South Sudan ratified the Treaty on April 15, 2016, and became a full member on August 15, 2016. The community's newest member of the Democratic Republic of the Congo ratified the EAC Treaty on April 8, 2022.

As one of the world's fastest-growing regional economic blocs, the EAC is broadening and expanding cooperation among the Partner States in various vital areas for mutual benefit. Political, economic, and social sectors are among them.

The regional integration effort is currently in full motion, as seen by the East African Customs Union's optimistic progress, the foundation of the Common Market in 2010, and the execution of the East African Monetary Union Protocol.

Current situation

The East African Federation process is being accelerated, demonstrating the determination of East African leaders and citizens to build a robust and sustainable East African economic and political grouping.

Vision

The East African Community envisions a rich, competitive, secure, stable, and politically united East Africa.

Mission

The community aims to broaden and deepen economic, political, social, and cultural integration to better the lives of East Africans through increased competitiveness, value-added production, trade, and investments.

Values

The EAC is founded on our devotion to our values: Professionalism, Accountability, Transparency, Teamwork, Diversity in Unity, and EAC Ideals Allegiance.

EAC has been able to implement the following successfully:

1. **Monetary and fiscal policy convergence**

   This has included currency conversion, harmonization of banking norms and regulations, harmonization of finance ministries' pre- and post-budget meetings, regular exchange of budget

information, and reading budget statements on the same day.

2. **Communications and transportation**

The agreement's principal goals are to improve interstate road transport by reducing paperwork for crews and vehicles at border crossings and unified standards for operating licensing and customs and immigration laws. This has made trading between traders from the one-member country and other member countries easier and faster.

3. **Skilled labor and education**

East Africa Community aspires to establish centers of excellence across the region to provide high-quality training and education focused on satisfying current and future skill demands and fostering technological innovation. Accordingly, students from member countries are granted free

visas to study at any university within this community.

4. Initiatives for Joint Tourism Promotion

The East African Community partner states signed crucial protocols that will aid in the promotion of East Africa as a single tourist destination, attracting more tourists and increasing the tourism industry's contribution to the East African economy. Since 2014, a single East African Tourist Visa for Kenya, Rwanda, and Uganda has been available.

CHAPTER 3

The Expected Trade Agreement across Africa

There is no doubt that current trade agreements across Africa are diverting Africa's attention away from the primary goal of its trade policy—creating a liberal trade environment to promote its poverty reduction and growth plans. In a world of growing Regional Trade Areas (RTA), African countries, like many others, have intuitively responded to global regionalism by establishing new

Wamkele M

RTAs and strengthening existing ones. The adoption of a defensive strategy to challenge regionalism in other regions of the world, on the other hand, may not be in Africa's best interests. Moreover, given the poor complementarity of natural assets, the region's tiny markets, and administrative capacity limits, RTAs targeted at assisting local sectors through import substitution in Africa are unlikely to enhance the continent's overall trade—even intraregional trade.

African policymakers must garner political support to open the continent's current RTAs to the rest of the globe through non-discriminatory liberalization. However, opening the RTAs would be challenging due to pushback from highly protected industries—some dating back to pre-independence days—and the idea of "self-centered development," which inspired, among other things, the Lagos Plan of Action and, more broadly, import substitution policies. Furthermore, RTAs unavoidably produced entrenched

interests that are opposed to broad-based deregulation. Exporters who have profited from preferential regional market access will wish to maintain their specialty markets. Local producers profited from rules of origin would oppose efforts to reduce external trade barriers and make the rules more transparent and less restrictive. In the event of a customs union, once a country joins, its trade policy cannot change without the permission of its partners. Suppose the initial common external tariff is high, and reaching an agreement on its lowering is challenging to reach. In that case, an RTA member is forced to accept a restrictive trade regime unless willing to leave the union.

Many African officials are also concerned that free trade with the rest of the world could irreversibly damage Africa's fledgling manufacturing base. Although few African RTAs seek to liberalize later on an MFN basis, RTAs are considered a training ground

to prepare local industries for broad-based liberalization. However, some elements promote greater liberalization of African RTAs. There is a growing understanding that openness fosters growth—no country has ever grown rapidly without opening its economy to international trade. The drawbacks of intra-African RTAs have become more generally recognized, prompting some to reconsider RTAs. They now regard them as a tool for integrating into the global economy by first liberalizing intraregional commerce. Nonetheless, it remains to be seen if the diverse political factors in Africa will result in more widespread trade liberalization.

While existing trade agreements throughout each region aim to increase trading flexibility and stimulate growth and development in Africa, the rigid individual policies and crises that have plagued some region's member nations offer a more difficult path to free-flowing inter-regional trade, let alone embracing

international trade. The implications for the African continent as a whole are severe. As a result, to chart a course forward, establishing a standard body capable of responding to both economic and political challenges as the interwove is required. Thus, The Africa Continental Free Trade Area was established.

On March 21, 2018, at the African Union's 10th Extraordinary Summit, practically all African countries signed the African Continental Free Trade Area (AfCFTA) agreement, establishing the world's largest free-trade zone. The treaty linked 54 countries and 1.3 billion people. The aggregate GDP of AfCFTA economies is calculated at US$3.4 trillion.

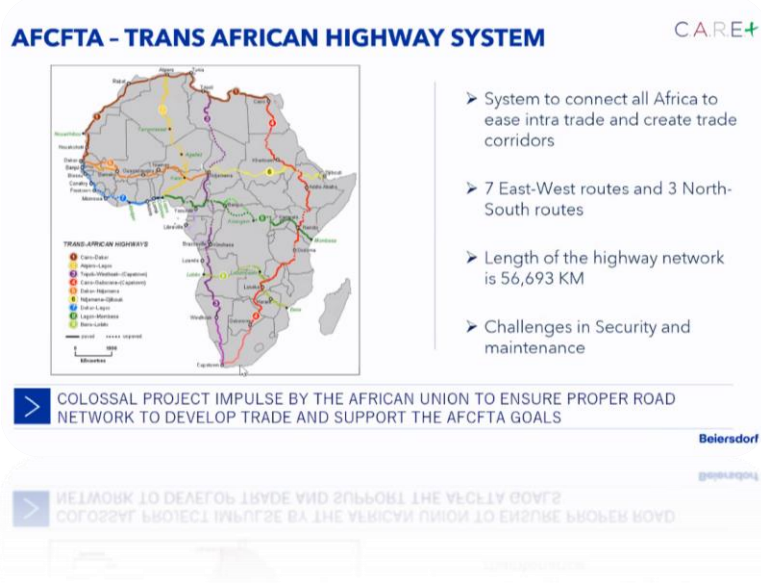
The agreement officially comes into force on May 30, 2019, following ratification by 22 countries. AfCFTA addresses Africa's long-standing economic fragmentation. Across the continent, trade obstacles remain strong. Although statutory tariffs in about half

of the countries have been cut to less than 5%, they remain high in sensitive areas. In addition, many other impediments to continental economic integration exist, including non-tariff barriers in services and other sectors, weak and fragmented policies aimed at stimulating investment and competition, and insufficient institutions, like customs management, to assist trade.

Africa contributes less than 3% of world trade and GDP but 16.7% of the total population. The signatory countries trade little with one another, with fewer than 8% of their exports going to other prospective member countries. Even when compared to entire intraregional trade in Africa (about 11 percent), this percentage is modest, indicating that regional trade growth is constrained. Poverty alleviation remains a top priority in Africa. In AfCFTA countries, the poverty headcount ratio (the percentage of the population living below the poverty line of

US$1.90 per day) is high, averaging 32.2 percent. Madagascar has a ratio of 77.8 percent, while Algeria and Mauritius have a ratio of 0.5 percent.

Trans-Africa Highway systems


AFCFTA - TRANS AFRICAN HIGHWAY SYSTEM
CARE+
System to connect all Africa to ease intra trade and create trade corridors
7 East-West routes and 3 North-South routes
Length of the highway network is 56,693 KM
Challenges in Security and maintenance
COLOSSAL PROJECT IMPULSE BY THE AFRICAN UNION TO ENSURE PROPER ROAD NETWORK TO DEVELOP TRADE AND SUPPORT THE AFCFTA GOALS
Beiersdorf

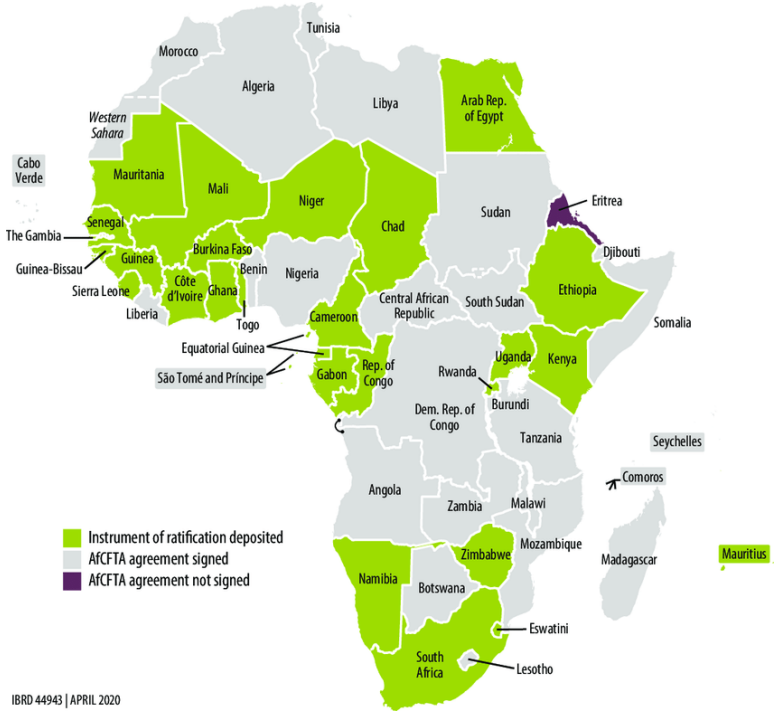
What is AFCFTA?

The African Continental Free Trade Area - AFCFTA is a determined trade agreement that aims to

create the world's largest free trade area by uniting almost 1.3 billion people across 54 African countries. The pact intends to establish a single market for products and services to improve Africa's economic integration. The trade zone might have a combined GDP of roughly $3.4 trillion. It has the potential to raise 30 million people out of severe poverty, but realizing its full potential will require considerable policy changes and trade facilitation measures among African signatory countries. As the world economy struggles because of the COVID-19 epidemic, establishing the enormous AfCFTA regional market represents a significant opportunity for African countries to diversify their exports, accelerate growth, and attract foreign direct investment.

The AfCFTA intends to lower tariffs among members and encompasses policy areas, including trade facilitation and services and regulatory measures like sanitary standards and technological trade

obstacles. In addition, it will supplement existing subregional economic communities and trade agreements in Africa by providing a continent-wide regulatory framework and regulating policy areas such as investment and intellectual property rights protection that have previously been left unaddressed in most subregional agreements in Africa.



The African Union (AU) mediated the deal, signed on March 21, 2018, in Kigali, Rwanda, by 44 of its 54 member nations. Eritrea is the only state yet to sign the deal, a mainly closed economy. However, 41 of the 54 signatories had presented their instruments of ratification with the chair of the African Union Commission as of February 10, 2022, making them state parties to the agreement. The AfCFTA Secretariat, an autonomous entity within the African Union headquartered in Accra, Ghana, and directed by secretary-general Wamkele Mene, oversees the agreement's implementation.

On March 21, 2018, African heads of state and government attended the African Union Summit in Kigali, Rwanda, which marked the signing of the African Continental Free Trade Agreement. (Photo courtesy of STR / AFP)

Current Stage of the AfCFTA Negotiations

Trading under the agreement began on January 1, 2021, after a six-month delay due to the impact of Covid-19. However, there are several challenges to conquer before fully implementing the agreement. Therefore, the talks have been broken into three stages:

The first phase *of negotiation centered on trade in products and services. Negotiations resulted in the approval of legal instruments (the AfCFTA agreement and protocols on trade in services and goods and dispute settlement) on May 30, 2019, allowing trading to begin. However, many aspects are still being worked on.*

The second phase *of the negotiations includes intellectual property rights, investment policies, and competition policies. Some of these discussions have already started.*

The third phase *is centered on E-commerce. When phase 2 is completed, these negotiations will commence.*

Tariffs on 90% of commodities are being negotiated to be eliminated over five years (10 years for least developed countries, or LDCs). An extra 7% of tariff lines are classified as "sensitive." Tariffs on these items will be phased off for ten years (13 years for

LDCs). A further 3% of tariff lines can be exempt from liberalization, although their value cannot exceed 10% of total intra-African imports.

"While some countries argue for stringent rules of origin to ensure that preference accrues only to members and is not deflected to non-members, others – generally the least developed countries with weaker productive capacities – advocate more flexible, pro-developmental rules that allow them to source inputs from the cheapest and most competitive locations," writes Hippolyte Fofack in a recent article.

Why AfCFTA in Africa?

Trade integration across Africa has long been hampered by obsolete border and transportation infrastructure and a patchwork of varying regulations spanning dozens of markets. In addition, governments have frequently established trade barriers to protect

their markets from regional competition, making trading with neighbors more expensive than trading with countries further away.

According to UNCTAD, intra-African trade accounted for 16.6 percent of total exports in 2017, compared to 68.1 percent in Europe, 59.4 percent in Asia, 55 percent in America, and 7 percent in Oceania. During 2015–17, intra-African trade, defined as the average of intra-African exports and imports, was roughly 2%. In the period 2000-17, Africa's export dependency on the rest of the world ranged from 80% to 90%; only Oceania had a higher export dependence on the rest of the world.

AfCFTA's Expected Economic Benefits

According to the World Bank, the deal's full implementation could result in real income increases of 7%, or over $450 billion, by 2035. By 2035, total

exports would have increased by about 29 percent. Exports inside Africa would expand by more than 81 percent, while exports to non-African countries would climb by 19 percent. According to the Bank, the accord could help move an extra 30 million people out of extreme poverty and 68 million people out of moderate poverty.

However, the impact would be uneven between countries. According to the World Bank, countries such as Côte d'Ivoire and Zimbabwe might witness 14 percent income increases. On the other hand, some countries, such as Madagascar, Malawi, and Mozambique, would have only about 2% real income improvements.

How will the AfCFTA interact with existing regional trading blocs?

A World Bank analysis suggested that the AfCFTA will provide a common regulatory framework in policy areas already covered by subregional preferential trade agreements (PTAs) such as the Common Market for East and South Africa (COMESA), the East African Community (EAC), the Economic Community of West African States (ECOWAS), and the South African Development Community (SADC).

Second, the AfCFTA will provide a chance to regulate policy areas critical to economic integration that are frequently regulated in trade agreements but have not been covered by most of Africa's PTAs, which the Bank describes as "shallow."

Why Africa's New Free Trade Zone is a Global Game Changer

To achieve her goal of lowering all trade costs and allowing Africa to become more integrated into global supply chains, AFCFTA will eliminate 90% of tariffs, focus on remaining non-tariff barriers, and create a single market with free movement of goods and services. In addition, significant financial benefits will result from reducing red tape and simplifying customs procedures. Aside from commerce, the treaty addresses human and labor mobility, competition, investment, and intellectual property. The following results will develop a robust economic Africa if these conditions are met.

- *Substantially Alleviation of Poverty.*

  According to a recent World Bank assessment, the accord will increase regional income by 7%, or $450 billion, accelerate wage growth for women, and raise 30 million people out of chronic poverty by 2035. In addition, wages for both experienced and inexperienced workers will be

increased by 10.3% for unskilled workers and 9.8% for skilled workers.

The AfCFTA underlines the African Union's strong and growing commitment to alleviate poverty through commerce – a link that is becoming widely acknowledged. "Trade is a force for good, and harnessed correctly may help raise millions out of poverty and provide shared prosperity," Ngozi Okonjo-Iweala, WTO Director-General, recently declared.

- *Numerous Positive Economic Impacts and Diverse.*

  Diversifying exports, speeding growth, competitively integrating into the global economy, rising foreign direct investment, expanding job and income possibilities, and broadening economic inclusion are just a few of the beneficial economic results that AfCFTA can provide.

The pact is expected to enhance Africa's exports by $560 billion, primarily in manufacturing. Intra-continental exports would increase by 81%, while exports to non-African countries would increase by 19%. According to the Mo Ibrahim Foundation, if AfCFTA is implemented correctly, it may create $6.7 trillion in combined consumer and industry spending by 2030. Furthermore, markets and economies throughout the area will be altered, resulting in the development of new industries and the expansion of critical sectors. Significantly, it would increase African countries' global competitiveness.

- *Women Inclusive Benefits.*

The AfCFTA focuses on improving women's livelihoods. The COVID-19 crises undermine some of the economic advantages earned by women through trade. The Economic Commission for Africa noted that women account for over 70% of Africa's informal cross-border commerce. Women may face

harassment, abuse, confiscation of property, and even jail due to their job. Tariff cuts under the AfCFTA will allow informal female traders to operate through legal channels, providing better protection. An expanding manufacturing sector would also create more job opportunities, particularly for women.

According to AfCFTA Secretary-General Wamkele Mene, "it [the AfCFTA] will be an opportunity to close the gender income gap and enable SMEs to reach new markets." This is crucial since small and medium-sized businesses account for 90% of all jobs in Africa.

- *The Importance of Trade Integrity-focus.*

The AfCFTA provides an opportunity to promote good governance both worldwide and across Africa by utilizing the notion of "Trade Integrity" - defined as international trade transactions that are genuine, transparent, and

adequately priced – to secure the legitimacy of the global trading system. The prevalence of illegally procured or produced goods (for example, illegal mining or fishing, or goods resulting from a child or forced labor), mis-invoiced trade transactions (i.e., trade fraud), and opacity in most free trade zones deprives governments of revenues – which are needed now more than ever to assist with the pandemic response – undermines fair labor standards and human rights, and obscures who is involved in trade transactions and what goods are traded, which

- *Adequate mitigation of COVID-19's Harmful Effects.*

  In Africa, the pandemic is predicted to cost up to $79 billion in output losses by 2020. The African Development Bank Group's African Economic Outlook (AEO) 2020 Supplement that Africa's GDP could fall between $145.5 billion (baseline) and $189.7 billion (worst case) in 2020, compared to pre-COVID–19 GDP forecasts.

Furthermore, the medical supply and food trade has been hampered. Across the continent, it is widely acknowledged that AfCFTA provides a short-term chance for countries to "build back better" and mitigate the effects of the pandemic. Longer-term, the agreement will strengthen the continent's resilience to future shocks.

- *Cooperation Benefits will Serve as a Model for the Rest of the Globe.*

  Countries worldwide are questioning trade agreements and economic integration and moving away from global cooperation, leadership, and collective action. Short-termism, polarization, and isolationism are all driven by political processes. However, the various threats necessitate long-term planning and increased cooperation, which the AfCTFA symbolizes. While the rest of the world is heading in one direction, the African Union is moving in the opposite direction by strengthening relationships across the continent.

At the same time, Africa must not lose sight of the substantial problems. Three, in particular, stood out. ***The first*** step is implementation. According to a recent article by the African Center for Economic Development, the deal will hasten economic transformation and help Africa "leave the colonial heritage." However, they emphasize that "the devil is in the details" and advocate for a bottom-up approach that focuses on national issues that require cross-border solutions, such as shared water resources, regional energy markets, and motorways.

The second consideration is equity. Determining who benefits and loses from the agreement is of paramount importance. Smallholder farmers, for example, may suffer if there is a concentration on large-scale cash-crop farming, which might lead to increased food insecurity and poor nutrition. Therefore, it is imperative to track poverty and social repercussions throughout

sectors. People who are negatively impacted must be protected until extractive trade patterns are replaced by robust value chains, value addition, enhanced interregional connectivity, more investment, and job creation, and income growth. ***The third*** factor is infrastructure. The African Development Bank stated that Africa's infrastructure needs are significant, ranging from $130 to $170 billion per year, with a financing gap ranging from $68 to 108 billion, driving most countries' trade outward rather than inward.

Finally, The Question of Success for AfCFTA

In an interview with the French daily Le Monde in January 2021, African economist Carlos Lopes emphasized the AfCFTA's ability to provide Africa a unified voice in trade discussions. He told the newspaper that Europe has 13 other economic agreements with Africa, which it vigorously supports. However, "Europe must realize the path Africa is

taking with establishing the AfCFTA... "We Africans need to band together more to defend our own interests," he asserted.

Gyude Moore, a senior policy fellow at the Center for Global Development, made similar remarks in the December 2020 issue of African Business: "This is an African endeavor that will succeed only with African devotion." It must go through regardless of anything else that happens. We may anticipate external parties to continue pursuing antithetical policies to Africa's goals as long as such policies profit them. Even though we have stated our intention to pursue multilateral trade, Africa's main partners may prefer to pursue bilateral trade.

Despite the rhetoric of Africa's external partners, the underlying goal of their policies has never been the prosperity of the continent, and we cannot expect that to change now.

Conclusion

AfCFTA, the world's largest free trade zone by several nations participating, has the potential to revolutionize the continent's economic prospects. In a period of increased isolationism, it aspires to be a model of cross-border cooperation. However, to reap the various benefits of the accord, it must overcome implementation problems. AfCFTA would significantly increase African commerce, notably intraregional manufacturing trade. Compared to the baseline, the volume of overall exports would increase by nearly 29 percent by 2035. there would be an increase in Intracontinental exports by more than 81%, while exports to non-African nations would increase by 19%. Intra-AfCFTA exports to AfCFTA partners would more than double or triple compared to

Cameroon, Egypt, Ghana, Morocco, and Tunisia baseline. Manufacturing exports would increase the greatest under the AfCFTA scenario, by 62 percent overall, with intra-Africa trade increasing by 110 percent and exports to the rest of the world increasing by 46 percent. Agriculture would see smaller gains—49 percent for intra-Africa trade and 10% for extra-Africa commerce. The growth in services trade is more modest—around 4% worldwide and 14% inside Africa.

The African Continental Free Trade Area - AfCFTA provides a once-in-a-lifetime chance for African countries to completely integrate into the global economy, decrease poverty, and promote inclusion. Although Africa has significantly boosted living standards and lowered poverty in recent decades, more trade can incentivize changes that promote productivity and job creation, reducing poverty even further.

COVID-19's arrival in 2020 has rapidly transformed governments, societies, and communities. Our response to the epidemic has altered political and social structures while also establishing new societal norms. Now, the globe faces a slew of complicated and developing concerns, such as climate change, inequality, technological transformation, migration, and displacement, that necessitate collaborative action. Most importantly, the total economic impact of the epidemic is still unknown: The IMF forecasted a historic global GDP loss of 4.4 percent in 2020, followed by a limited and uneven rebound of 5.2 percent in 2021.

Despite these obstacles, global leadership and cooperation have been missing since the COVID-19 crisis began. Throughout this period, our rules-based international system became more fragile, if not "disordered," throughout this period. COVID-19

worsened the spread of populism, protectionism, and nationalism. As a result, citizens' trust in governments worldwide has weakened, making once-stable democracies vulnerable. The recent events in the US Capitol only served to underline the frailty of what was once regarded as the most stable democracies.

With the emergence of the African Continental Free Trade Area (AfCFTA), the African economy will break into massive transformation for the African citizenry. The AfCFTA is a game-changing agreement. Africa currently contributes only 2% of world trade. Furthermore, only 17% of African exports are intra-continental, compared to 59% in Asia and 68% in Europe. As a result, the potential for development across Africa is immense. The agreement will establish the world's largest free-trade zone regarding the number of countries involved.

As the treaty connects 1.3 billion people in 55 nations with a combined GDP of $3.4 trillion when much of the world is shifting away from collaboration and free trade, now is the moment for more commerce and more substantial cooperation to overcome many present issues and rebuild better in the aftermath of COVID-19. So what will this exciting new accord bring to Africa and the world if wholly implemented? Just imagine it.

Chapter 4
Poor and Differential Access

According to the fourth annual report of the Africa Agriculture Trade Monitor, the start of trading under the African Continental Free Trade Area (AfCFTA) presents significant opportunities to increase agricultural trade among African countries but addressing the disruptions caused by the COVID-19 pandemic and long-standing obstacles such as non-tariff barriers and high trade costs to meet this potential is paramount. The research presented on September 10 at the AGRF 2021 Summit identifies processed agricultural goods as a focal area for boosting trade and the need for more high-quality trade data.

African countries continue to specialize in unprocessed agricultural products on a worldwide scale. Most African economies are undiversified, with a competitive advantage in only a few products. Although Africa's agricultural exports account for only 4.2 percent of global agricultural exports (from 2003 to 2019), African exporters dominate world markets in a few products: the continent accounts for more than 70 percent of global exports of unprocessed cashew nuts, cocoa beans, cocoa shells and husks, kola nuts, and vanilla. The majority of these are niche products with modest markets.

Domestic constraints such as low agricultural production and investment, weak transportation and communications infrastructure, and inefficient customs procedures hamper Africa's economic competitiveness, as do global trade barriers. Non-tariff measures (NTMs), such as sanitary and phytosanitary measures, trade obstacles, and price and quantity

limitations, are the most significant constraints to the African trade climate. NTMs are even more destructive to intra-African commerce than tariffs, according to the report's authors, who advocate for more careful design so that they boost rather than hinder trade.

According to the analysis, the intra-African agricultural trade growth has yet to recover from a fall in the mid-2010s, implying that the continent will face substantial problems in attaining the Malabo Declaration target of tripling intra-African agricultural trade value by 2025. However, trade-in processed agricultural products has defied this trend, increasing somewhat since 2016. This shows that, despite the continent's persistent comparative advantage in unprocessed primary products globally, African food system actors are increasingly adding value to items traded inside Africa.

The growing importance of processed products in intra-African trade implies expanded prospects for inclusive value chain development in response to rising demand from more profitable urban markets. Policymakers are encouraged to capitalize on this opportunity by unifying trade and regulatory rules to facilitate effective trading.

Rising trade-in higher-value processed agricultural creates an excellent opportunity for local producers, processors, and other value chain actors. Efforts to foster this expansion are required to speed Africa's food system reform and accomplish the Malabo Declaration targets.

The Emergence of COVID-19

The AATM also investigates the COVID-19 pandemic's impact on Africa's agricultural commerce

and overall economic activity. The pandemic caused an enormous economic setback to the continent and exacerbated food insecurity and poverty. Many countries implemented border closures or other movement restrictions during the early stages of the pandemic, significantly impeding intra-African trade—including informal trade, which is a primary source of income for many people.

According to data from three Ugandan border posts, total trade declined by 58.8 percent between 2019 and 2020; the decline was far more significant for informal trade (77.6 percent) than for legal trade (16.4 percent).

The problem emphasizes the significance of international collaboration in limiting restrictions, coordinating border health measures, and improving information exchange. The ongoing issue of trade data availability, as official data excludes informal trade

and is only available after a delay. The AATM advocates for more comprehensive and timely data to better track the consequences of crises on livelihoods and the implications of trade policies.

Efforts need to be geared toward understanding today's trading environment, evaluating the effects of various policies, and proposing better solutions. Building an evidence-based argument for discussions and agricultural policies can boost overall growth by investing more in research.

While the execution of AFCFTA across Africa is still in its infancy, domestic interest groups in countries are likely to oppose it. Some countries, mainly West African giant Nigeria, were initially skeptical of the pan-African concept due to concerns about losing out to more competitive neighbors. Nonetheless, supporters of the initiative are hopeful that the first steps toward its implementation will

allow member countries to increase intra-African commerce quickly. Silver Ojakol, AfCFTA Secretariat chief of staff, said, "Economic integration is not a one-time occurrence. It's a process."

However, despite the promising initiative of AFCFTA, disparities in differential and limited access to intra-regional markets remain significant issues to be resolved. Notably, these disparities are evident on four unique levels, which will be extensively discussed in the following chapter: Big Markets outside each country, Internet & Technology, Financing, and Talent.

Big Markets outside each country

There is no doubting that there is a significant level of poor and disparate access to large markets

outside of each African country. The nature and impact of trade barriers within Africa is a troubling phenomenon. Unfortunately, many African countries fail to recognize the numerous opportunities for cross-border trade, services, and investment should regional limitations are reduced.

While opportunities for cross-border commerce in food, basic manufacturing, and services exist inside Africa, they are underutilized, preventing export diversification and job development. Furthermore, regional trade obstacles disproportionately affect weaker economies and the poor.

For example, Sudan produces a significant amount of meat; Egypt, on the other hand, needs meat; nevertheless, there has been little trade negotiation due to regional constraints and tariffs. According to some reports, although Egypt has recently increased its meat imports from Sudan, severe restrictions impede

productive trade between the two countries. Similarly, Nigeria is known to have an abundance of soil materials but needs more sand, whereas Algeria and Egypt have an abundance of sand but no agricultural soil. It may appear reasonable for these countries to establish economic agreements. Unfortunately, regional policies will not allow it. A more flexible inter-regional commerce could have promoted faster trade between these countries.

Internet and Technology

According to recent international development literature, the Internet has enormous promise for inclusive growth and socio-economic development for any country. It could boost productivity and contribute to an economy's overall GDP, but it could also connect remote populations to markets, promote citizens' access to social services, expand educational opportunities, create platforms for innovation, and

increase people's freedoms and access to government services.

When examining cross-country data on Internet penetration and economic development, a strong positive association between the percentage of Internet users and Purchasing power parity (PPP) GDP per capita is observed. As much as we cannot overemphasize the importance of the Internet and technology in advancing African development, internet penetration in many African countries is becoming increasingly difficult. While we are all connected both in Africa and globally through the Internet, it takes about 6 hours to upload a 1-gigabyte file in Africa's most advanced countries, making cloud computing and work for multinational corporations a nightmare. Unless these issues are addressed, trade and investment in Africa will continue to lag, making it a more third-world continent.

Financing

Over the last two decades, Africa's financial systems have advanced. However, liberalization, privatization, and stabilization have failed to result in more accessible financial services, particularly credit, for most Africans. Banks in Africa are generally well-financed and liquid. However, the benefits of deeper, broader, and cheaper financing have yet to be realized. Despite having survived the 2008 global financial crisis, Africa will be impacted by long-term trends that began before the crisis and were exacerbated by it, particularly alterations in the distribution of global economic power. The BRIC countries, particularly China and India, and, more lately, Brazil, are playing an increasingly important role in Africa. Several suggestions for overcoming these will include working on improving banking sector competition, extending financial services, and increasing financial literacy.

Many works of literature have demonstrated the relevance of finance to country progress, and the country-financing gap has become a popular term, showing the insufficient access to credit experienced primarily by countries. Inadequate financing is a significant impediment to a country's progress, and it has been discovered that small countries suffer more significant difficulties in obtaining credit than larger countries. Financing is vital for countries because it enables them to expand their operations, innovate, and invest in manufacturing facilities. The importance of countries in influencing economic growth, job creation, and poverty alleviation has received considerable emphasis. Financial access has been identified as a crucial necessity for job creation opportunities in developing and developed countries.

Many countries that want to expand, on the other hand, find it challenging to secure financing from financial institutions and are consequently credit-

limited. This is essentially the 'financing gap' that African countries face, and it is more widespread in poorer economies than in small advanced economies because banks have evolved various risk-coping measures for lending to enterprises. As a result, the finance gap is primarily a concern for developing countries. It is commonly known that African countries are significantly disadvantaged in financial development among emerging countries.

Talent

Africa's median age is 20, with 1.1 billion persons in the labor force by 2040. However, due to poor educational infrastructure and enrollment rates and agriculture's enduring importance as employment, the pool of potential talent for management and skill-intensive professional and technical professions is small. Combining this limited supply with rising demand could result in fierce

competition for local African talents. However, as the results of EY's recent Sub-Saharan Africa Talent, Trends, and Practices Survey show, the struggle for talent in Africa is multifaceted.

High-ranking talents are quickly snapped up by well-funded startups and tech giants expanding their presence in Africa. The scarcity of particular talents is why this is not happening at a faster rate. Organizations find it very costly or unsustainable to import ex-pats to handle African-specific difficulties repeatedly. The increased demand for talent across Africa is proving increasingly problematic for some. To address the talent issue, a system that galvanizes the current elements of enterprises, startups, and SMEs, investors, incubators & accelerators, universities, African Diaspora, and talents should be developed.

Conclusion

The African Continental Free Trade Area intends to strengthen African regional integration. Regional integration progress has been unequal thus far, with some countries firmly integrated at the regional and subregional levels and others less so. worth noting is that some Regional Economic Communities (REC) have already established a customs union and agreed on standard external tariffs, but others have yet to solidify free trade zones as initially planned in the Treaty Establishing the African Economic Community - Abuja, 1991. Regional integration has been notably sluggish between RECs, with many African economies not belonging to the same community and still trading on a most-favored-nation basis.

The Continental Free Trade Area aims to correct the situation in which intra-African exports frequently

face higher tariffs within the continent than in the rest of the world, owing in part to preferential trading arrangements such as the African Growth and Opportunity Act of the United States of America and the European Union's Everything But Arms scheme. The Continental Free Trade Area, for example, aims to increase intra-African trade while also reducing the variability of trade laws across RECs and regional trade agreements. Its establishment may also result in trade reorientation toward the regional market, resulting in significant overall output, welfare improvements, and long-term employment expansion.

What is more important for the African Continental Free Trade Area to handle is subregional market access, Internet and technology, finance, and the development of quality talent. Considering all of this, regional integration may boost proper production and advancement in Africa.

International commerce can also result in interregional knowledge spillovers, boosting efficiency, spreading technology, and redistributing income. Although extensive literature and the theoretical basis on regional integration and how it might stimulate prosperity, the slow pace of implementing trade laws and recent regional trade-related frictions may provide problems in implementing the African Continental Free Trade Area.

These could raise concerns among residents about the effectiveness of regional integration; there are already some reservations about the Free Trade Area's ability to promote more inclusive growth and less poverty as well as inequality Uncertainty over whether a trade is adequately inclusive may stem from concerns about potential distributional consequences,

such as changes in the prices of goods and services, as well as changes in output, income, and employment.

Chapter 5

The previous chapter briefly introduced some of the challenges associated with effective trading in Africa and the realities of subregional policies that limit the free flow of trade, impeding the supply chain across Africa. We identify four distinct areas: access to large markets outside of each country, internet and technology, financing, and quality talent. These key spect have remained a phenomenon that has dwarfed the African economy. With low predicted growth in the United States and the European Union and the realization that the BRIC countries will not be able to do it all alone, there is increasing interest in Africa. It is a continent with great promise and some of its fastest-rising economies. However, aside from the categories mentioned above, which will be expatiated in-depth in this chapter, Africa is riddled with many issues when

considered in isolation. Any new business to the African continent has many hurdles ahead of her.

Anyone who has attempted to convey goods from point A to point B in Sub-Saharan Africa (except South Africa) knows the difficulties connected with transportation and infrastructure. However, infrastructure has improved significantly in several African countries (Tanzania and Ethiopia). Nevertheless, reaching lower-tier cities (let alone rural markets) remains a difficulty. African trade centers are frequently separated by long distances, raising costs and making economies of scale difficult to attain. Many low-cost distribution schemes trailed in Asia (e.g., India) and Latin America (e.g., Mexico), for example, are likely to fail since distances are longer and the number of economic clusters is not similar to these continents.

Fragmented marketplaces - Except for South Africa and Kenya, modern trade (e.g., Shoprite supermarkets) in African countries is still in its early phases, with contributions in the low single digits. It is difficult and costly to reach many traditional outlets. Also, Finding the correct distributors to reach the great majority of rural stores is challenging (if not impossible), and extensive development and training are required. As with many emerging markets, the outlet base constantly changes as new stores emerge and close. It can be challenging to keep the outlet list up to date. Access to capital is not left out. Finding a competent distributor is only the beginning because capital sources are restricted. Many firms must assist their distributors and partners during the start-up phase and loans or bridging financing to sustain their cash flows.

What about political unrest? As recent events in Nigeria have proven, several African countries

continue to face severe political risks. Like Nigeria, some of these countries have great promise in various industries. On the other hand, companies must grasp the political risk and its possible influence on their operations. Limited access to modern technology is also very high. When traversing the African business landscape, you will see that most organizations use a combination of software (e.g., ERP), Excel, and pen and paper. Although mobile technology has enormous potential, few companies have successful commercial strategies. Finding the best solution for your firm will need time, money, and creativity.

The electricity problem is also a painful thorn in the flesh. Electricity is in short supply in many nations, and power outages are prevalent during peak periods. Even more advanced economies, such as South Africa, significantly face this issue. In some nations (for example, Guinea), the generator remains a primary energy source, and energy costs can be high. Also, lack

of sight — Inadequate information technology also contributes to a lack of visibility in the supply chain, resulting in greater out-of-stocks (OOS). It may take time and a combination of technology and manual operations to increase visibility.

Big Markets Outside Each Country

Official statistics show that Africa's domestic trade share remains low even though various regional trade agreements have resulted in tariff reductions within trading blocs. In theory, at least. Non-tariff obstacles, red tape, and inadequate infrastructure are all examples of trade limitations. Outside of the territories covered by the accords, tariff barriers remain high. Improving trade integration among African countries could result in significant economic

gains. This concept inspired the most recent integration proposal - The Continental Free Trade Area.

Lagos, Nigeria, and Accra, Ghana, are only a few hundred kilometers apart. However, the journey through Togo and Benin can take a whole day for the thousands of traders who travel this route, punctuated by complex border inspections, harassment, and requests for kickbacks from officials.

"Customs officials and police officers at roadblocks will make you unload and unpack every little package to delay you for hours. But, everyone understands the objective is to push travelers to pay," says Ms. Lucia Quachey, secretary-general of the African Federation of Women Entrepreneurs, an organization of over 4 million women across the continent who produce and trade everything from textiles to pharmaceuticals and vehicle parts.

Some of this activity, she claims, is illegal since authorities deliberately violate the concept of free movement of people and things inside the 15-member Economic Community of West African States (ECOWAS). It is also the result of the sluggish implementation of regional integration accords to remove tariff and non-tariff barriers in the region. Despite political declarations of support for regional economic linkages, the reality on the ground for traders like Ms. Quachey remains difficult.

African countries are attempting to overcome a legacy that has been dominated by trade with their former colonial rulers rather than trade with one another. For example, Senegal's primary trading relationship is with France, while the Gambia has considerable trade with the United Kingdom. Although Senegal borders the Gambia, trade between the two countries is minimal.

Africa's railways and highways frequently lead to ports rather than connecting countries across regions. As a result, it is frequently quicker to fly from one African country to another via Europe. In addition, tariffs on African goods entering European Union and US markets make export to industrial countries more profitable than export to other African countries. Due to trade barriers within Africa, exports from Tunisia and Cameroon frequently end up in French warehouses before being transferred to each other's market shelves.

Ironically, African countries are very resource dependent on one another. As a result, intra-African trade is controlled by a few countries that sell a few products. According to the World Bank, five countries in Sub-Saharan Africa (excluding South Africa) account for about three-quarters of all intra-African exports: Côte d'Ivoire, Ghana, Kenya, Nigeria, and Zimbabwe. Primary items are crucial in this trade.

Petroleum alone accounts for more than 30% of total trade, with cotton, live animals, corn, and cocoa accounting for 18%. Fresh fish, vegetables, tea, and sugar are all exchanged less.

According to a recent World Bank research, manufactured items account for only approximately 15% of such activity. So what Can African Regional Trade Arrangements Expect? Examples are yarn, medications, iron and steel, chemicals, and industrial tools and equipment.

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A few commodities frequently dominate individual countries' exports to the rest of Africa. Petroleum and petroleum products, for example, account for more than 90% of Angola's exports to other African countries. Fresh fish accounts for roughly 98 percent of such exports in Seychelles. Because of the lack of product diversity, the same core products tend

to dominate Africa's trade with the rest of the world. Other domestic products in Africa receive less attention. Sudan, for example, accounts for about 80% of the animal food that travels to Egypt, yet until recently, the trading of meat between both countries has been challenging. Likewise, Algeria and Egypt have an abundance of sand material compared to Nigeria, which has an abundance of agricultural soil. Egypt and Algeria require agricultural soil, and Nigeria needs sand. However, the lack of proper economic agreement across areas has restricted trade.

Because of this situation, informal commerce has grown significantly. In fact, much of the cross-border trade between African countries is conducted informally. It either completely escapes customs or passes through official posts but is not registered. As a result, it is challenging to quantify informal trade. Most studies have relied on estimations based on incomplete surveys or accounting exercises.

Nevertheless, they determined that a significant portion of Africa's regional trade was informal, ranging from 30% to 40%.

Informal trading is common for agricultural and many industrial items. Some traders are entirely unregistered, while others are registered but avoid trade restrictions and duties. This disparity in measuring actual commerce is problematic for trade policy. What is the cause of its pervasiveness, and what should governments do about it? A recently published study fills a vacuum by investigating the volume, character, and determinants of informal commerce in Benin.

Benin's national statistics identified 171 non-official border sites in 2011 to undertake an informal trade study. Informal trade is prevalent in Benin, as it is in many African countries. It works openly and is condoned by authority for the most part. They

surveyed each border crossing for ten days. Each trader who crossed the border (in either way) was asked to complete a brief questionnaire regarding the products and amounts exchanged, prices, origin, and destination.

The survey received a high response rate. This means that, for the first time, it is possible to compare a representative sample of all informal trade at a country's borders to official trade data, such as customs data. Using this data, The research demonstrates that informal trading is, in fact, an essential component of the trading system. For example, informal trade accounts for most domestic product trade between Benin and Nigeria. Official statistics understate total trade by roughly 50% for imports and about 85% for exports. These values are consistent with previous estimates for Sub-Saharan Africa. It further demonstrates that trade data on the continent have a significant blind zone.

Regional economic communities (RECs) such as ECOWAS, SADC, COMESA, GAFTA, and others have been formed in recent decades to promote trade among African countries. Despite this, intra-Africa trade has yet to see significant beneficial developments. The Addis Abeba-based UN Economic Commission for Africa (ECA) noted in its 2002 Annual Report on Integration in Africa that trade among African countries accounts for approximately 10% of total foreign trade, the lowest of any global region. The problems of growing intra-African trade are enormous, but officials on the continent are increasingly focused on them as a renewed interest in regional integration gets traction. As more work and attention is directed toward the full implementation of AFCFTA to realize its full potential in diversifying and revolutionizing African economies inclusively, the trade will become more formalized. When African countries trade with one another, they interchange

more manufactured and processed goods, have more knowledge transfer, and create more value.

Internet and Technology Access

Africa has long been regarded as the next big growth market, a designation that has remained. There are numerous reasons to be optimistic: The African continent has some of the world's youngest populations. It promises to be a critical consuming market over the next three decades. It is getting more mobile phone-enabled. Because smartphone and other device access enhance consumer information, networking, job-creation opportunities, and even financial inclusion, a growing digital ecosystem is critical as a multiplier of that success.

Despite these reasons for hope, the promise has yet to be fulfilled. Africa's economy has slowed; the IMF and the World Bank have reduced their 2019 economic growth predictions for Sub-Saharan Africa (SSA) to 3.5 and 2.8 percent, respectively, from 2.3 percent in 2018. Poverty has increased - SSA contains 437 million of the world's extremely poor and has 10 of the world's 19 most unequal countries. According to the World Bank, if poverty reduction measures and growth remain sluggish, Africa might house 90 percent of the world's impoverished by 2030. While the rest of the world accelerates trade and commerce with the help of the internet and technology availability, Africa's trade is crawling because it has not entirely integrated the potential of the internet and technology into its activities.

An increasing amount of research shows that digital technology can facilitate economic development in Africa and aid in the creation of

additional jobs. Digital technologies can assist all people, particularly lower-income and less-skilled entrepreneurs and employees, work and learn more effectively, stimulating the adoption and productivity of complementing technologies. The influence of mobile internet access (3G or 4G coverage) on jobs has been studied at the country level by the World Bank in Nigeria, Senegal, and Tanzania, especially among the poor and most vulnerable.

According to studies, both internet availability and more advanced digital technology result in more and better jobs for lower-income, lower-skilled people, reducing poverty. For example, after three years, labor force participation and paid employment increased dramatically in areas with internet access compared to those without. In addition, Digital technology, such as utilizing local language movies on tablet computers and a decision assistance tool app on a smartphone, can provide individualized recommendations,

resulting in better jobs and higher crop yields for low-income farmers.

Although mobile internet access has risen, Africa's internet coverage lags behind other regions, with digital disparities in remaining availability concerns in all countries' distant and poorer parts. While we are all connected, in Africa, it takes 6 hours to upload a 1-gigabyte file in the most modern countries, making cloud computing and work for global corporations a nightmare. Access to computing resources and developing a comprehensive IT infrastructure have proven problematic in many African 0countries. Cloud computing may now enable remote access to these previously inaccessible resources as a new computing paradigm. The rise of cloud computing raises the stakes for entrepreneurs, small and large organizations, researchers, and governments.

Today, though, uptake is a more significant issue than coverage. Africa's uptake gap has grown in comparison to other areas and in comparison to availability. Whereas 70 percent of Africa's regional population has access to mobile internet, fewer than 25 percent uses it, resulting in an average uptake gap of about 50 percent. This uptake gap is most pronounced in rural areas and informal businesses and among older and poorer women and rural households. The digital divide between affluent, urban, literate, and better-educated homes with electricity and poorer households without power is widening.

Three World Bank country-level studies, conducted in Nigeria, Senegal, and Tanzania, examined the influence of mobile internet availability on employment (3G or 4G coverage). Better jobs and wages for some people have a significant impact on total household consumption and poverty reduction. One significant point is that the greater Africans'

internet access, the more likely they will eliminate poverty and enhance trade and commerce over time.

Financing

Trade may be a powerful driver of economic growth and poverty alleviation. However, as a continent, Africa has yet to fully realize the growth-enhancing benefits of trade. Today, the continent's proportion in global GDP and trade is barely 3%, although accounting for 11% of the world's population. Africa can correct this anomaly if they seek to eliminate trade constraints. Moreover, there are a lot of them. The infrastructure gap that long deterred regional and international trade is well documented.

Another significant constraint is the scarcity of trade finance, which is the lubricant of commerce without which possibilities for growth and

development are lost. However, trade finance can also contribute to regional integration and macroeconomic resilience through international trade expansion and foreign exchange gains. The African Development Bank has consistently acknowledged the importance of company access to trade finance, especially given its contribution to nearly all of the Bank's High 5s priorities.

A thriving trade system requires the availability of finance. Currently, 80% of worldwide trade is backed by financing or credit insurance. However, considerable gaps in service prevent many businesses from accessing the financial tools they require. As a result, opportunities for growth and development are lost due to a lack of proper trade finance; enterprises are deprived of the fuel they require to trade and expand.

Small and medium-sized firms (SMEs) suffer the biggest challenges in obtaining reasonable finance. This is disturbing because SMEs are significant commerce, employment, and economic development generator. According to research, SMEs encounter these issues in developed and developing countries, although the difficulties are highest in low-income countries. This is owing to their small banking sectors and a lack of enthusiasm among global financial institutions to conduct business in such countries. Moreover, this problem has gotten worse since the financial crisis. As a result, the availability of trade finance is frequently recognized as a critical obstacle to trade by firms worldwide, particularly SMEs. The only way to respond to this appeal is by improving provision.

It is critical for African countries to study the magnitude of the gaps in trade finance provision,

evaluate current initiatives on this front, and outlines some prospective future actions. Africa can put structure in place to enhance existing trade finance facilitation programs, assisting local banking sectors in growing by increasing training programs, improved monitoring of difficulties with provision, and maintaining tighter communication with regulators. Setting explicit targets could be an effective means of mobilizing and coordinating efforts to close gaps in availability.

It is increasingly difficult for businesses, particularly SMEs, to obtain bank loans, credit facilities, or wire transfers between African countries. The dollar remains the only channel used to carry out trade within Africa. There is no facility or framework to facilitate trading activity across African countries without the issue of currency discrepancies and stringent financial policies. Hence, doing business in African countries is rather difficult and frustrating.

Is BlockChain and Crypto transfers the solution?

The Blockchain is known to have a decentralized database architecture. Instead of storing databases on centralized servers, Blockchain allows data to be stored across a global network of computers. As a result, no single company, machine, or administrator controls the databases. Blockchain is essentially a distributed ledger in which information is stored across a network of computers rather than a single server. In essence, it is a distributed ledger technology (DLT).

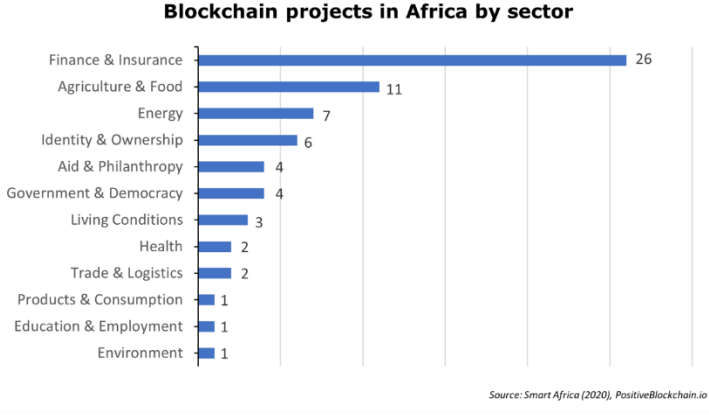
Blockchain's potential applications for more efficient supply chains and trade processes are numerous. While the blockchain trend is global, its potential usage and usefulness are expected to be more widespread and influential on the African continent.

Cryptocurrencies based on blockchain technology have also facilitated African international trade, particularly Asia. By simplifying payments for international trade transactions, they have enabled business people to bypass the limits of hard cash shortages and Covid-19 travel restrictions. Using cryptocurrencies like Bitcoin to pay for international trade transactions has proven faster and less expensive than traditional foreign exchanges. Because there are no bank constraints, African traders have found cryptocurrency more liberating.

Though Blockchain and cryptocurrencies have the potential to facilitate African international trade and intra-Africa trades, there are obstacles. For example, some central banks have prohibited commercial banks from supporting bitcoin transactions. It may also be difficult to wean countries off their current paper-based trading systems.

Blockchain Usage in Africa

There are three basic kinds of potential blockchain applications: (1) digital payments, (2) contracts, and (3) database and record management. Smart Africa (2020) highlights 69 current blockchain projects across various sectors on the African continent based on the PositiveBlockchain.io database. The most prevalent use cases are in financial services and agriculture. Kenya, South Africa, and Nigeria are the main users of blockchain technology in the region.



The most relevant blockchain use-cases in Africa, according to Smart Africa 2020, are (1) digital payments, (2) public procurement, (3) decentralized electricity distribution, (4) digital identification and education credentials, (5) digital land administration, (6) agricultural and mining supply chain tracing, and (7) trade facilitation (Smart Africa, 2020).

Blockchain for Supply Chain Tracking and Trade Facilitation

Blockchain's immutability and real-time capabilities make it ideal for tracing the origin and route of commodities across a supply chain. It is undoubtedly superior to present certification and labeling methods, which can be manipulated. In addition, blockchain-based solutions promote transparency and make counterfeiting difficult. Unsurprisingly, companies in the global food business, plagued by multiple scandals caused by supply chain

failures, are increasingly turning to blockchain technology. Data about the product, supplier, location, and each business's environmental and social impact are collected and added to the Blockchain at each point of the trip, producing a digital history of the product accessible to all, from the farm to the consumers.

Ethiopia collaborates with IOHK to track its coffee supply chain using the Cardano blockchain. Similarly, the UN World Food Programme - WFP has used Blockchain to handle its food aid supply chain between the port of Djibouti and its main operations base in Ethiopia. It can follow food shipments in real-time from Djibouti to its base in Ethiopia and onwards as it distributes food aid using blockchain-based technology. The Rwandan government collaborates with the UK start-up Circular to use Blockchain to track its supply chain of the precious metal tantalum, giving purchasers confidence that it is supplied ethically.

The majority of international trade processes are paper-based. Even while blockchain technology is suited to dependable paperless solutions, acceptance has been delayed, especially in Africa. However, with Covid-19 limits and lockdowns making physical interaction difficult, blockchain-based solutions have grown appealing. Unsurprisingly, there is a slew of worldwide blockchain-based trade digitalization efforts.

However, there are still some difficulties. Nigeria is considered to be Africa's leading bitcoin trading nation, with over US$99 million in trade volume in the first quarter of 2021. Kenya and Ghana are second and third, with $34.8 million and $27.4 million. South Africa ranks fourth with $25.8 million. Yet, Africa's crypto infrastructure has not evolved in lockstep. There are few African nodes, and mining operations are minor. For example, less than 0.5

percent of all worldwide Bitcoin and Ethereum nodes are in Africa, mainly South Africa. A few bitcoin businesses, ATMs, and exchanges are scattered over the continent, but they are not as widespread as elsewhere.

The cryptocurrency ecosystem is dependent on the internet and electricity. However, African mobile internet adoption remains relatively low, at 26%. Electricity grids are still frail, and supply is intermittent and insufficient. Furthermore, bitcoin wallets require smartphones instead of mobile money, which merely requires a basic mobile phone. According to the GSM Association, Africa has more than half of the world's population without a mobile broadband connection (GSMA). Furthermore, while more than a hundred African Union ICT infrastructure projects are already underway to upgrade broadband and other related internet infrastructure, much more work remains.

Talent

While some African countries have the world's fastest-expanding economy due to improved infrastructure, more outstanding economic management, increased production of products and services, and the expansion of the middle class. Talent acquisition and management, a critical component of long-term economic growth, remains an issue in most African industries. To close the talent gap, top managers and human resource officers in many sectors of the economy must urgently improve talent attraction and management by attracting and retaining African talent.

At the rate at which the African economy is expanding, the public and commercial sectors in Africa must connect their economic agendas with solid leadership and entrepreneurial qualities, particularly

among the youth. This will result in a generation of youthful, enthusiastic people capable of consolidating economic achievements. This is a possible weapon that African firms and governments can employ to turn the continent from a marginalized power to a prominent player in the global economy. Businesses in Africa focus on recruiting, developing, and retaining competent and talented local people to match their corporate culture and generate success, albeit at a slow pace. With a better understanding of the benefits of skill retention and talent development, several businesses have taken significant efforts toward fully reaping the benefits of proper personnel acquisition and management. However, some firms have failed talent acquisition and management methods, while others have no actual talent acquisition and management strategy. Soon, effective talent management will be vital to the success of any African firm, whether it is a start-up or a well-established multinational corporation.

Till now, the African market has been experiencing a shallow talent pool. The African market is experiencing an alarming scarcity of highly skilled individuals. This is primarily due to issues in many African countries' educational institutions. Most African schools have inadequate study facilities, and several colleges are plagued by riots and strikes, resulting in "semi-baked graduates." Despite many unemployed graduates, companies still struggle to locate the proper skills and talents to hire. Learning institutions also fall short of developing a diverse set of skills tailored to the African market.

The impact of a skills deficit is affecting every area of the African market. Okeke, Regional Director of the Africa Resource Centre (ARC), emphasized Nigeria's efforts to professionalize supply chain management in a presentation at the recent SAPICS Spring Conference in Johannesburg. She explained the

lessons that can be drawn from the successful public-private partnership enhancing healthcare delivery in Nigeria. SAPICS, The Professional Body for Supply Chain Management, hosted the first Spring Conference for supply chain professionals.

Okeke noted that developing in-country supply chain skills has been a primary priority of Nigeria's supply chain development. "A fundamental driver of logistics underperformance in countries has been identified as a shortage of skilled supply chain professionals. A well-functioning supply chain guarantees that health facilities are always stocked above a specific minimum, assuring commodity availability. Since logistics expenses account for 20 to 40% of commodity costs, efficient local supply chain management can also significantly reduce the price. If less money has to leave Africa to develop, organize, and implement healthcare supply chains, more money

will be available to provide medications to the last mile."

Global supply chain executives are dealing with a critical supply-and-demand imbalance. However, it is not for a specific product, commodity, or even transportation capacity. It is for the people. Supply chain skills are in great demand as more businesses recognize the importance of supply chain management to their success. Although more people are gaining supply chain management degrees and certificates every year, there are not enough to meet the current demand. If this trend continues, firms worldwide may struggle to meet their goods and services demand.

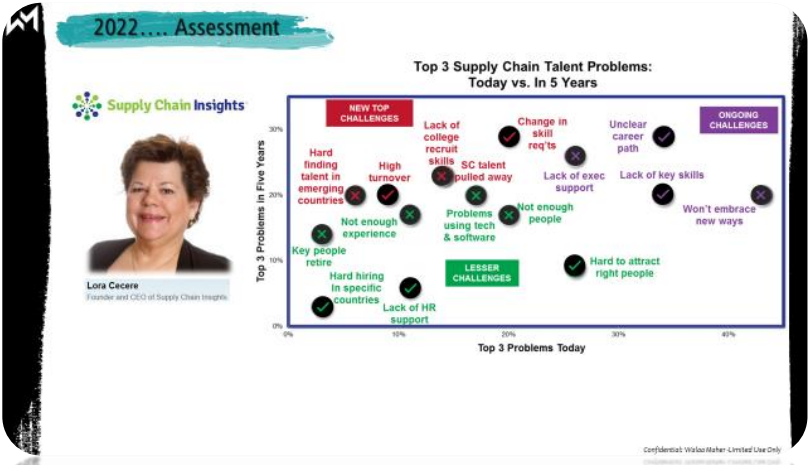
The global skills shortage is felt in practically every area and economic sector. The challenge is especially acute in African countries, where companies struggle to locate personnel with the correct combination of local market knowledge and supply

chain expertise. In China, for example, the Chinese Academy of Sciences reported in 2007 that both domestic and foreign firms were having difficulty hiring top supply chain managers and well-trained logistics staff. The report advised institutions to offer more specialized logistics courses to address the gap. However, seven years later, the problem is far from resolved.

Lora Cecere, the founder and CEO of Supply Chain Insight, stated in a video giving a 2022 assessment of how the pandemic transformed the supply chain business, decreased employee happiness, and produced negative attitudes among younger workers in a talent gap. She also sighted how the supply chain talent challenges have remained the same in the market from 2014 to 2022. According to their severity, she listed the top three supply chain talent difficulties: 1. New to challenges, 2. Ongoing challenges, and 3. Lesser challenges, where the market

is experiencing a skills shortage in Africa. *See the diagram below.*

Top 3 Supply Chain Problems



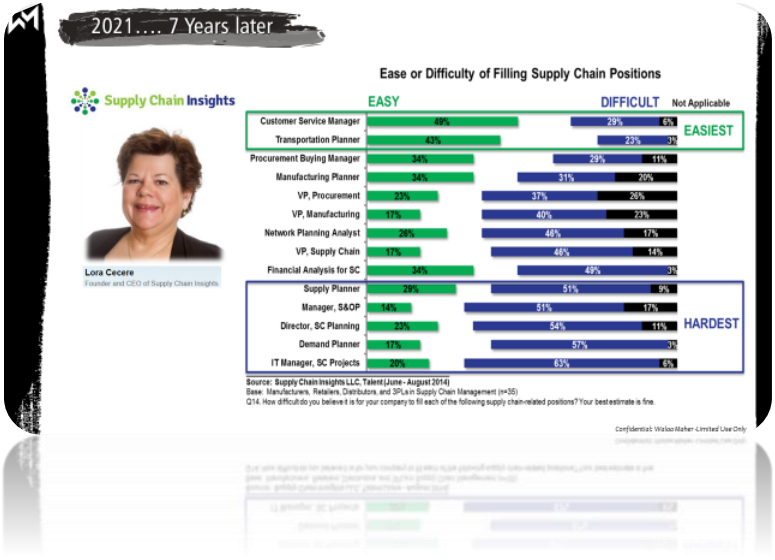
1. New Top Challenges (most Severe Conditions)
    - *Change in skill requirement*

- *Supply chain talent pulled away*
- *Lack of college recruit skills*
- *High turnover*
- *Hard finding talent in emerging countries – Africa in view.*

2. Ongoing Challenges
    - *Unclear career path*
    - *Lack of executive support*
    - *Lack of key skills*
    - *Inability to embrace new ways*

3. Lesser Challenges
    - *Hard to attract the right people*
    - *Not enough people*
    - *Problem using tech and software*
    - *Lack of sufficient experience*
    - *Key people retiring*
    - *Hard hiring in specific countries*
    - *Lack of HR support.*

While the competition for talent in the supply chain industry is heating up, some positions are much easier to fill than others. The graphic below depicts the assessment of accessible positions based on how simple or challenging they are.


2021…. 7 Years later
Ease or Difficulty of Filling Supply Chain Positions
Supply Chain Insights
EASY
DIFFICULT
Not Applicable
Customer Service Manager 49% 29% 6%
Transportation Planner 42% 23% 3%
EASIEST
Procurement Buying Manager 34% 29% 11%
Manufacturing Planner 34% 31% 20%
VP, Procurement 23% 37% 26%
VP, Manufacturing 17% 40% 23%
Network Planning Analyst 26% 46% 17%
VP, Supply Chain 17% 46% 14%
Financial Analysis for SC 34% 49% 3%
Supply Planner 29% 51% 9%
Manager, S&OP 14% 51% 17%
Director, SC Planning 23% 54% 11%
HARDEST
Demand Planner 17% 57% 3%
IT Manager, SC Projects 20% 65% 6%
Source: Supply Chain Insights LLC, Talent (June - August 2014)
Base: Manufacturers, Retailers, Distributors, and 3PLs in Supply Chain Management (n=35)
Q14. How difficult do you believe it is for your company to fill each of the following supply chain-related positions? Your best estimate is fine.
Lora Cecere
Founder and CEO of Supply Chain Insights

The shortage of supply chain talent in emerging countries is a crucial issue for both local and multinational organizations. Future growth for many

of the latter is dependent on growing sales in developing economies. These markets, however, will not be able to expand unless the labor in those countries has the requisite abilities to get goods into the hands of buyers. Many people believe that Africa will be the next growing market. However, Gert Heyns and Rose Luke of the University of Johannesburg discovered in a 2013 article that a shortage of supply chain talent in South Africa - the continent's most advanced economy – is one of the critical restraints on that country's overall competitiveness.

Conclusion

It is encouraging that African countries are already strategizing on how to benefit from the AfCFTA agreement and formulating concrete plans of action to capitalize on national, regional, and global markets in the context. The AfCFTA has the potential

to revolutionalize Africa's economic diversification and inclusiveness. First, however, it must address the fundamental national and regional constraints impeding effective trade across Africa.

As long as Africa struggles to gain access to significant markets within its borders, internet and technology, finance, and quality talent, competing with the rest of the world will continue to be an act of fantasy. The promise of improving the African market will exist only on our lips and imagination. Africa must rise to meet the present challenges, particularly those related to the supply chain industry within its borders.

Chapter 6

Pockets of Success & re-application

For decades, Africa has been recognized as the world's poorest continent. Despite the gloomy news, there is hope for change for the first time in a generation. Thanks to more robust economic policies and structural changes, many African countries are exhibiting economic development. These countries have successfully reduced domestic and external financial imbalances, improving economic efficiency. They have prioritized government spending on health care, education, and other essential social services. Furthermore, there is a growing trend toward more open and participatory forms of government that promote collaboration between the state and civil society.

Nonetheless, Africa's economic and social position remains weak and sensitive to domestic and external shocks. The region has a long way to make up for ground lost in previous decades. Despite the myriad issues confronting Africa, there has been an increase in economic growth rates, and new opportunities are opening up. Poverty is rapidly decreasing, but it remains a threat, particularly in many economically challenged sections of the continent. Investment is also improving as governments increase attempts to diversify economic structures and enhance growth through CFTA ratification.

Furthermore, several nations have recently emerged from civil wars, which significantly hampered their development. Efforts are currently being undertaken to ensure rapid recovery while quelling new armed conflicts in other continent regions. Conflicts and other unfavorable

circumstances, notably terrible weather and degradation in trade terms, have contributed to the region's loss of economic impetus during the previous decades. However, some remarkable accomplishments have been recorded in various African countries, which will be thoroughly investigated
shortly.

Worthy of note is that this is not meant to belittle the fact that African countries confront significant obstacles in raising growth, reducing poverty, and integrating into the global economy. Economic growth rates are still struggling to make a significant dent in widespread poverty and allow these countries to meet up with other developing countries. What is required in these countries is a sustained and significant increase in actual per capita GDP growth rates and significant improvements in social conditions.

As Africa embarks on the world's largest free trade area since the World Trade Organization's inception in 1995, efforts are being made to ensure meticulous and deliberate implementation. The African Continental Free Trade Agreement (AfCFTA), which went into effect on May 30, includes almost every country on the continent. And it demonstrates, once again, that Africa is on the march. This chapter considers the important milestones attained by several African countries and how these milestones are positively affecting the African economy as a whole.

Egypt Roads Infrastructure

Egypt's expanding population and dynamic economy have necessitated increased infrastructure construction in recent years. Given that cars continue to be Egypt's most popular means of personal transportation – as do trucks for delivering cargo – this

requirement is most visible on the country's highways, with Cairo and many other cities experiencing chronic traffic congestion. As a result, the Egyptian government has championed significant investment in the road system to ensure that it can handle long-term increases in freight and car trips. Egypt's National Roads Project, which began in 2014, had completed 4500 kilometers of the 7000 kilometers promised. An enhanced road network to aid economic development by reducing traffic congestion and increasing general safety.

According to analysts, Egypt's big infrastructure projects are currently under construction. However, they are expected to build a new tomorrow for the North African country following decades of expanding population and haphazard construction.

President Abdel Fattah El Sisi is routinely seen examining road, bridge, and trail projects in Cairo and then pressing employees to finish construction as soon as feasible. The roads and bridges that the Egyptian president inspects are the most apparent manifestation of an extensive infrastructure program to stimulate the economy and alleviate traffic congestion. The public works projects, which include creating numerous new cities and one million low-cost housing units, have assisted Egypt in weathering the economic blow produced by the coronavirus outbreak.

Eastern Cairo is one of the regions seeing a lot of activity. A system of modern roads and bridges being built in the desert will be a new capital created in the desert and is set to open in December. In addition, six new bridges to relieve traffic congestion were erected at record speed in Cairo's eastern neighborhoods of Heliopolis and Nasr City as part of

Egypt's National Project for New Roads and the East Cairo Development Plan.

By establishing limited access superhighways capable of accommodating large volumes of traffic while providing parking lots and changing the direction of several streets that are also being widened, the new bridges have eased traffic to and from Heliopolis and Nasr City and reduced journey times.

Efforts of the Government

Following the establishment of the National Roads Project, the government increased its spending in the land transport sector, and the Ministry of Transport announced a $9.8 billion road development budget in early 2020. As a result, over 2000 road projects were completed in 2018/19, with another 2000 finished in the fiscal year 2019/20. While the emphasis is on critical projects in Cairo and Alexandria, several

other regions throughout the country will receive significant road construction, maintenance, and enhancements.

Egypt's Armed Forces Engineering Authority has recently emerged as a prominent player in large-scale construction projects. The authority is in charge of 2300 projects and nearly 5 million civil servants across various industries, including agriculture, mining, fishing, and infrastructure.

Cities Roads

According to the World Bank, the Greater Cairo Metropolitan Region is home to nearly one-fifth of Egypt's population – approximately 19 million people – and is expected to increase to 24 million by 2027. This significant growth will put further strain on the capital's traffic infrastructure. Despite implementing lockdown measures during the Covid-19 outbreak,

construction activities on Cairo's new road projects proceeded.

The projects are part of the government's $895 million plan to relieve traffic congestion and build 40 new bridges. While most of the work is being done in East Cairo, work is also being done elsewhere, including on the Ahmed Handy Tunnel 2 link, which will travel beneath the Suez Canal and is scheduled to be finished in mid-2021. In addition, an additional $142 million was invested in road infrastructure in New Alamein City, a new development on Egypt's north coast west of Alexandria.

The recently built suspension bridge that crosses the Nile River at Warraq Island to the north of Cairo is a critical road project that forms part of a link running from the Red Sea to the northwest tip of Egypt's Mediterranean coast. It was inaugurated in

May 2019 by President Abdel Fattah El Sisi and is the world's widest bridge.

Economic impact

Road infrastructure is critical for economic development. It facilitates market access by connecting producers and customers. An effective transportation system with modern infrastructure promotes many economic changes, most of which are favorable. Transportation networks are circulatory systems that transport economic and social activity. All sectors of an economy rely on this sector's services and infrastructure to connect supply and demand, enabling marketplaces. For example, they provide access to raw materials, services, and loading docks at factories.

The mobility of people, goods, and information creates economic opportunities. There is a clear

relationship between the amount and quality of transportation infrastructure and the level of economic development. High levels of growth are frequently associated with dense transportation infrastructure and well-connected networks. When transportation systems are efficient, they give economic and social opportunities and advantages, resulting in positive multipliers such as improved market access, employment, and increased investment. Conversely, when transportation systems are inadequate in terms of capacity or reliability, it can result in economic costs such as missed or diminished opportunities and a lower quality of life.

Transportation infrastructure investments enable efficiencies, which enables regional and national economic growth. They lower enterprises' transaction costs, expanding economic potential in a region/country. As a result, such investments have the

potential to boost local populations' incomes and living standards.

Given Egypt's critical geographic location at the crossroads of Africa, Europe, and the Middle East, its infrastructure initiatives have regional economic ramifications. The economic progress it brings to the region is massive. For example, the Cairo-Cape Town road project, first proposed in the 1890s, has gradually re-entered the economic spotlight. Egypt's part of the highway began construction in mid-2015 and was finished in February 2019. The route begins in Alexandria and travels south through Cairo and Aswan to the Sudanese border.

Egyptian land features another of the continent's major highways, which runs from Cairo to Dakar, traveling from Cairo to Alexandria and then west along the North African coast to Dakar. With the African Continental Free Trade Agreement initiative,

ocean and air transit alternatives via trunk highways will boost intra-African trade even further. This modality became increasingly significant in early 2020 due to the interruption of global maritime and air supply networks caused by the Covid-19 pandemic, particularly air freight. The assessed impacts are positive nationally and regionally, indicating net efficiency gains. The counties in southern Egypt and west of the Nile River have the highest efficiency increases. As a result, the project will reduce regional differences among states of the country and North Africa at large.

Rwanda Replaced Its Bureaucratic Structures with an Electronic System

Many emerging countries are currently prioritizing e-government initiatives. While e-government is well-established in many affluent countries, it is relatively new in the least developed countries - LDCs. Countries that begin adopting e-government today can profit from the easy import of modern technologies; nevertheless, adaptation to local conditions and organizational transformation are not importable and must be established locally. Though with the significant problems in the implementation of e-government, this section takes a look at Rwanda by using examples from an ongoing attempt by the Government of Rwanda to digitalize all G2C and G2B into a single-window platform.

E-government is widely defined as using Information and Communication Technologies (ICTs) by government entities to improve government. Today, e-government is viewed as a technological innovation that is supposed to aid governments in achieving

enhanced administration, internal efficiency, public service delivery, and more chances for individuals to participate in democratic institutions and processes.

While several high-income countries have seen more than two decades of e-government growth, e-government projects in less developed countries have grown significantly. The objective is that developing countries will benefit from industrialized countries' experiences and implementation models. However, thus far, this leapfrog has had limited application because such models and experiences are better suited for industrialized countries with advanced technology and a higher level of public awareness and e-readiness. Moreover, the obstacles and drivers of effective e-government deployment are contextual rather than being one-size-fits-all. As a result, despite solid promises of immediately reaping various benefits, there have been various stories of e-government issues in emerging countries.

The difficulties in adopting e-government in emerging nations are related to the distinct conditions in these various contexts. Several concerns, in particular, concern the development of information infrastructure in underdeveloped countries.

Rwanda Electronic System

Rwandan e-government stretches back to the early 2000s, when it was designed to be implemented in four five-year phases. Following a plan termed "Smart Rwanda Master Plan," the fourth phase (2016-2020) is centered on a digital transformation of the government agenda, comprising 24/7 self-services, working towards a cashless and paperless economy, with 95 percent of government services carried out online by 2018. (Ministry of Youth and ICT, 2015).

Rwanda is a country with great ICT objectives, with e-government being one of the top priorities. According to Rwanda's Ministry of Information Technology and Communication (MITEC), formerly known as the Ministry of Youth and ICT (MYICT), ICTs are expected to help the country achieve its Vision 2020 goal of shifting from a Least Developed Country to a middle-income country. The approach uses ICTs to enable access to information and services, resulting in a dynamic and knowledge-based economy. In Rwanda, significant efforts have been made to advance ICT and its development.

These efforts are outlined in policy papers such as the National Information and Communication Infrastructure Plan (2000–2015) and the Smart Rwanda Master Plan (2016–2020). NICI Plans I to III [2000-2015] aimed to establish a legal and regulatory framework and develop a basic ICT infrastructure. Telecommunication networks, a national fiber optic

backbone, a submarine cable, and an integrated national data center comprise the critical infrastructure. The current era of the Smart Rwanda Master Plan [2016–2020] is focused on digitalizing the government toward a 24/7 self-service, "cash-less," and "paper-less" administration, with 95 percent of all government services transacted online by 2018.

The IREMBO Project Aims to Create Rwanda's Single Point of contact for e-Government.

The IREMBO project is a Rwandan government initiative to digitalize all public services into a single-window platform named "IREMBO" (a local phrase that means "Gateway" in English or "Porte d'entrée" in French). The government of Rwanda has entered into a public-private partnership (PPP) with the private company Rwanda Online Platform Ltd (ROL) for the

digitalization of government-to-citizens (G2C), and government-to-business (G2B) services MITEC to address inefficient manual processes, delays in service delivery, long queues, and bottlenecks in service delivery (2015). The commercial partner, ROL, has been granted a BOT (Build, Operate, and Transfer) arrangement for the IREMBO platform, a one-stop shop for G2C and G2B e-government in Rwanda.

According to the BOT deal, ROL is intended to build and run the IREMBO platform for 25 years (Ibid.). According to the BOT agreement, the government hopes to profit from the private partner's capacity to design, finance, procure, develop, and manage the platform in this PPP. The company ROL is compensated through a commission fee scheme, a percentage of the service fee paid by residents when they transact with government services through the platform (Ibid.).

Services connected to life events (birth, marriage, and death), land management, driving licenses, business licenses, road traffic, motor vehicle inspection, and so on will be digitalized. The first 100 e-services are expected to be ready by the end of 2017, and a March 14, 2017 visit to the IREMBO platform1 revealed that IREMBO was hosting 44 services online. The IREMBO platform provides a front office for users (citizens and businesses) to file their applications over the internet and a back-office system for public servants to manage users' applications, with back-office operations handled by each government agency participating in the IREMBO project.

The Economic Impact of Rwanda's Electronic System

Rwanda's economic growth is progressively attracting the attention of investors. The World Bank states that doing business in Rwanda is now easier,

faster, and less expensive than most other African countries. Rwanda ranks 58 out of 183 nations surveyed in this year's "Ease of Doing Business" rankings, up from 143 in 2009. Only Mauritius, South Africa, Botswana, and Tunisia scored better in Africa.

According to the World Bank, a high score means that a country has passed regulations making it easy to start and maintain a business, such as receiving loans, registering property transfers, paying taxes, and enforcing contracts. For example, in 2005, an entrepreneur in Rwanda had to go through nine procedures to start a business at 223% of per capita income. Today, according to the Bank, it just takes two operations in three days, at the cost of 8.9 percent!

Encouraged, investors are reciprocating. A report from the World Bank shows that foreign direct investment in Rwanda tripled between 2005 and 2009, from $8 million to $118.7 million.

Government measures to promote the technology and communications sectors also encourage entrepreneurial inventiveness and growth throughout the economy. As a result, the country's gross domestic product (GDP) increased by 7.4% last year, following an annual average growth rate of 7.5% between 2004 and 2009. This was nearly following the government's Vision 2020 strategy, which calls for yearly growth rates of around 8% between 2000 and 2020.

Kenya's Ease of Accessing Credit for Businesses

Without a doubt, finance availability is essential for every successful business. Conversely, an inability to access finance for business is a situation in which one market segment (customers, small businesses, traders, etc.) lacks adequate access to capital at reasonable rates to finance their core business activities or expand their business – this is a significant impediment to market growth. To address this issue sustainably, you must look at the institutions that offer funding in your selected market scenario via a systems lens.

MSMEs (Micro, Small, and Medium-Sized Enterprises) play an essential role in developing economies. The industry is regarded as the backbone of emerging nations, and it is essential for equitable economic growth and development and for creating

job opportunities. Governments around the world are focusing their efforts on promoting MSMEs. This can be ascribed to failed attempts to promote economic growth by relying on huge industries. MSMEs have been acknowledged for their substantial contributions to the development process, poverty alleviation, and economic growth engines. They are a significant element of the manufacturing sector, and they are a powerful method for diversifying production, lowering unemployment, and establishing trade and payment balances.

Because of their particular significance, MSMEs are foundations on which developing-nation growth ambitions are anchored. Apart from creating job opportunities, micro, small, and medium-sized businesses reduce rural-urban migration and improve resource usage in the economy. In addition, these enterprises strengthen industrial inter-linkages by

generating intermediate items as raw materials for large-scale companies.

The number of MSEs established in Ethiopia expanded from 51,983 in 2010/2011 to 271,519 in 2014/2015, with employment generated by these firms increasing from 806,322 to 2,800,000. In Ghana, the SME sector produces about 70% of GDP, provides nearly 85% of manufacturing jobs, and accounts for 92 percent of all business.

Despite the essential role that MSMEs play in emerging economies and the strenuous efforts of most governments to foster their growth, it is estimated that over 70% of MSMEs fail within three years of their inception. Only around one in three of these businesses survives five years, and only about one in every four survives ten years. Lack of cash, a lack of a market for their outputs, a lack of a suitable team, severe competition, and difficulty in pricing items for

particular industries are the fundamental causes of this tendency. Indeed, one of the significant impediments to MSMEs' growth is a lack of money. It is one of the most frequently mentioned barriers MSMEs face in emerging economies (World Bank, 2019). World Bank (2013) noted that MSEs have severely limited access to capital and must thus rely on various informal sources of finance, such as borrowing from friends and relatives.

This limits their output and growth and, in some situations, causes them to close. The World Bank also discovered that it is disproportionately burdensome for SMEs in the least Developed Countries (LDCs) to get finance, with 41 percent of these firms saying that access to finance is one of the vital obstacles to growth (World Bank, 2013). In underdeveloped economies, access to financing hinders MSE expansion more than it does large enterprises. Furthermore, it has been discovered that

financial support in loans is one of the three significant barriers to MSMEs' growth.

Many African businesses suffer from a lack of financing. This fact is evident in the majority of Africa's faltering economies. Furthermore, many governments and financial organizations have imposed significant barriers to accessing finance. As a result of these constraints, many SMEs find it challenging to obtain the necessary financing for their businesses.

The inability to obtain necessary funds can be linked to several problems, including an underdeveloped banking sector, a lack of legal and institutional institutions to administer MSE loan risk, a relatively high cost of borrowing, and interest rate rigidities. MSEs are obliged to rely on retained earnings to expand their businesses due to the considerations above. Financial restrictions limit the availability of productive resources, causing the

industry to develop slowly and preventing MSEs from reaching their full potential. This might reduce the number of jobs produced, jeopardizing the sector's contribution to economic growth. In this sense, most governments have prioritized the development of laws and initiatives to improve MSMEs' access to finance. Kenya, in particular, is paving the way in this regard in Africa.

Kenya credit law

The Credit Reference Bureau Laws, launched in July 2008 by Kenya's Minister of Finance, give instructions for licensing and establishing credit bureau businesses. They also clarify consumer protection rights and make financial institutions declare nonperforming loans mandatory. It has been in operation since 2009.

"With the release of the regulations, the Central Bank of Kenya will begin receiving applications from viable credit bureaus and issue licenses," said Rose Detho, Director of the Central Bank of Kenya's Banking Supervision Department. We will also monitor the credit bureaus." "The new legislation will govern the credit information-sharing system and aid in identifying serial loan defaulters, who account for the vast majority of nonperforming loans." This would enable banks to cut the cost of loan facilities for creditworthy borrowers."

"By making information sharing mandatory for banks, the regulations bolster earlier modifications to the Banking Act." They also allow private credit bureau operators to apply for licenses to provide services to the banking sector," explained Wachira Ndege, Chairman of the East Africa Credit Bureau Association.

"Credit bureau operations are critical to increasing banking sector confidence and improving small business access to finance," stated Jean Philippe Prosper, IFC Director for Eastern and Southern Africa. "The new legislation will pave the groundwork for a dependable credit information sharing system, giving banks substantial confidence to lend to smaller businesses."

According to research, credit bureaus are crucial to increasing credit for individuals and small enterprises, and credit reports improve the quality of credit choices while reducing risk and lowering fraud.

Economic Impact of the Law

The credit bureau regulations have undoubtedly facilitated access to funding for the country's small and medium-sized businesses. As a

result, Kenya's MSMEs industry has exploded. Accounting for a significant contributor to the Kenyan economy. "Kenya's 7.4 million MSMEs are a driving force to job creation and productivity, but they urgently require increased loan access to scale operations, increase productivity, and provide shared prosperity for Kenyans. We are collaborating with the Kenyan government, the private sector, and other development partners to address the unmet need for finance in the MSME sector," said Keith Hansen, World Bank Country Director for Kenya.

The MSMEs sector, also known as the Jua Kali sector, plays a vital role in the country's growth. MSEs are essential sources of employment and a suitable medium for poverty alleviation in all areas of the economy (MSEA, 2013). According to the second sessional paper of 2005, SMEs in Kenya produce goods and services while also acting as drivers in the progress of innovation, competition, and the promotion of an

entrepreneurial culture, which is vital in developing the private sector and industrialization. MSMEs account for more than 90% of all established enterprises in Kenya, accounting for more than 75% of all jobs in the economy (Kenya Bankers Association (KBA), 2019). According to the KNBS, the MSME sector employs 14.9 million Kenyans and accounts for around 33.8 percent of Kenya's GDP. The industry provided about KSh 1,780 billion in gross value added, while the overall economy contributed KSh 5,668.2 billion (KNBS, 2016).

Today, after being severely impacted by the COVID-19 crisis, more than 250,000 Kenyan micro, small, and medium companies (MSMEs) are likely to profit from increased access to funding. The International Development Association (IDA)*-funded Supporting Access to Credit and Enterprise Recovery (SAFER) initiative will tackle market failures in access to finance by MSMEs (particularly youth and women-

owned firms) that the COVID-19 epidemic has negatively impacted.

Fostering innovation, providing liquidity through microfinance banks (MFBs), savings and credit cooperative organizations (SACCOs), digital channels (including instruments that can leverage more private capital), and de-risking lending are all examples of project support for MSMEs. It will also give technical assistance and project management support. In addition, the project intends to leverage implementation arrangements to mobilize additional private sector finance by obtaining parallel financing from other development partners. While the project addresses the immediate effects of the pandemic, it also aims to address structural issues affecting MSME finance in the medium to long term.

Côte D'ivoire - Focus On the Agro-Based Economy

Côte d'Ivoire has witnessed a remarkable economic rebound since regaining political stability in 2012 after more than a decade of civil conflict. With an annual GDP growth rate average of 8% from 2012 to 2018, the country is one of Sub-Saharan Africa's fastest developing economies. Overall, macroeconomic management has been sound. The trade balance has deteriorated due to reduced export prices and increased import prices, but the trade surplus remains substantial. Tax income has been stable at around 15.5 percent of GDP, while the budget deficit has stayed stable at roughly 4 percent, following IMF expectations. In addition, numerous changes have been enacted in the country, contributing significantly to an overall improvement in the business environment.

Agriculture has been the foundation of Côte d'Ivoire's economic prosperity. It represents around 23% of the overall GDP in Cote d'Ivoire and more than two-thirds of total exports. Agro-industries account for approximately 7% of overall GDP and 50% of the manufacturing sector. It is the world's most significant cocoa producer, accounting for 40% of global production. In addition, it has become the world's largest producer of raw cashew nuts and the greatest exporter of rubber, palm oil, bananas, pineapples, and copra, and the second-largest producer of Robusta coffee in Africa.

The country is self-sufficient in several staple foods, including maize, sorghum, millet, yam, cassava, plantain, and banana, increasing exports to the subregion. Rice remains an exception, with total imports accounting for 50% of domestic demand. Despite a modest and unpredictable performance over the last decade, the sector remains an economic

foundation. Overall, agricultural growth has ranged from 16 percent in 2014 to a low of -1 percent in 2016, before rebounding to 6.8 percent in 2017, thanks to excellent weather conditions that allowed for a significant increase in cocoa production and exports.

Côte d'Ivoire has experienced strong, continuous economic development since 2012, although it slowed down owing to the COVID-19 issue in 2020. Nonetheless, the country remains the economic and political core of Francophone West Africa, wielding enormous power in the region.

Côte d'Ivoire's human capital index score (0.38) improved slightly in 2020 over 2019. Poverty has decreased significantly, from 46.3 percent in 2015 to 39.4 percent in 2020. However, this only applied to urban areas since rural poverty climbed by 2.4 percent during the same period. The country should incorporate the most disadvantaged population

groups in its economic recovery approach, integrate women further into the economy, and build human capital to fulfill labor market needs better.

Economic Relevance

Côte d'Ivoire has one of Africa's fastest-growing economies5, and agriculture is crucial to the Ivoirian economy. Agriculture contributes to 20% of national GDP, employs over 48% of the labor force, and accounts for over 80% of all export revenues, or $1.96 billion per year. Côte d'Ivoire is a major exporter and the world's top cocoa producer. d. Cocoa beans account for 37% of overall export revenues and 10% of total export volume. Côte d'Ivoire is also a significant producer of kola nuts, cashews, and yacon. Other significant exports include rubber (11%), cocoa butter (6%), coconut (3.8%), bananas (3.4%), and coffee (1.1%). Rice, maize, cassava, yam, plantain, and vegetables are stapled food crops. Smallholder farmers

produce the majority of these crops. In other circumstances, imports cover the gap left by domestic demand; rice accounts for 4.1 percent of 2017 imports, trailing only crude petroleum (7.9 percent of total imports).

Through its National Agricultural Investment Plan, the Ivorian government aimed to increase agriculture sector growth to 9% per year by 2016, reducing food insecurity, creating jobs, and alleviating poverty through increased diversification, productivity, international competitiveness, and self-sufficiency. The strategy targeted 20 percent forest cover and 6.8 percent growth rates for the food crops sub-sector, 7.6 percent for cash crops, and 3 percent for animal products. Despite these efforts, sectoral development has slowed in recent years in comparison to the overall annual GDP growth rate of 7.4 percent. Climate shocks, as well as poor trade terms for key agricultural exports, have contributed to this. As a

result, the objectives of the National Agricultural Investment Plan remain unmet.

Economic Situation

Before the global shock caused by the pandemic, Côte d'Ivoire had one of the most resilient economies in Africa and the world, with an annual average growth rate of 8% since 2012. However, global health harmed Ivorian households and businesses, slowing growth to 1.8 percent in 2020. Nevertheless, the country's economic rebound in 2021 is predicted to be driven by robust domestic demand and stable exports.

While the construction and public investment sectors were the primary drivers of growth in 2019, the manufacturing, services, and export sectors are likely to help the economic recovery in 2021.

The implementation of the reform program remains the main problem that promotes a more inclusive economic recovery and growth by encouraging the private sector to, among other things, create more jobs, improve the business environment, give access to funding for SMEs and VSEs, increase capacity in the agriculture sector, and develop human resources.

Botswana - The Least Corrupt Country in Africa and High Foreign Exchange Reserves

Anyone who has tried to tally the number of times African countries have been accused of being "corrupt" in the international media has lost count. As a result, there is no doubt that all of the claims are true,

as there are both internal and foreign investigations into corruption cases in Africa. All of this has called into question African governments' ability to cope with the issue of corruption.

Governance in Africa has an essential role in determining the relationship between leaders and followers in distributing state resources to increase Africans' socioeconomic well-being. On this premise, the government relies on citizens to carry out its constitutional obligations and provide the necessary platform for social engagement between leaders and citizens in resolving socioeconomic issues such as poverty.

However, the issue of poverty in Africa has been connected to institutional corruption. This indicates that attempts to rid Africa of corruption must begin and be directed at this level. A country afflicted by corruption cannot develop its population to its full

potential. As a result, corruption, like transparency and good governance, impacts all aspects of a country's existence—the economy, society, and polity—and leads to underdevelopment. Furthermore, the massive resources wasted on corruption, both internally and externally, could have been channeled to address Africa's underdevelopment and have been a significant cause of concern for those who regard corruption as a threat to the continent that must be addressed.

The endemic character of corruption in Africa, particularly at the institutional level, calls into doubt the capacity of African states to cope with the issue of corruption, in which vast resources are lost while the continent's level of poverty rises.

According to Transparency International, armed conflict, violent regime changes, rising terrorist threats, and the lax implementation of anti-corruption

agreements deprive individuals of fundamental rights and services throughout Sub-Saharan Africa.

Currently, Some African governments take the required steps to combat corruption and boost economic growth. Botswana, for example, has successfully reduced corruption by leveraging a variety of factors. Political will, steps to decrease corruption opportunities (such as reducing red tape and decreasing trade obstacles), measures to constrain corrupt behavior (such as an independent court system or a robust anti-money laundering framework), and strengthened fiscal institutions are examples of these (with greater transparency and controls).

Botswana Scored Above 60

Transparency International (TI), a Berlin-based international nongovernmental organization, has named Botswana the least corrupt country in Africa for

the 18th year. In its latest corruption perception index (CPI) study, issued on Tuesday, TI ranks Botswana 30th out of 177 countries and territories and first among African countries. The country was also ranked 30 in 2010 and 32 in 2011. In addition, Botswana received an overall score of 64, down from 65 last year, and was the only African country to score higher than 60.

"Botswana's success in the annual survey has been attributed to our zero-tolerance approach to corruption, which has been bolstered by the establishment of multiple oversight institutions, such as the Public Procurement and Asset Disposal Board (PPADB), the Directorate on Corruption and Economic Crime (DCEC), the Financial Intelligence Agency and the Competition Authority," said Botswana government spokesperson Jeff Ramsay in a statement. "With the assistance of outside specialists, the DCEC,

in particular, has improved its ability and reach since 2008," he stated.

Recent Economic Performance

Botswana has been able to keep a high foreign exchange reserve due to the reduced corruption level in the country. The value of the reserves is disclosed regularly in domestic and foreign currency terms (US dollar and SDR) in the Bank's monthly and annual financial statements and the Botswana Financial Statistics (Tables 3.4 and 6.7).

Botswana has amassed considerable reserves by international standards when calculated concerning a country's overall imports of goods and services. This is attributable to a protracted balance of payments

surpluses combined with prudent management of foreign exchange reserves.

Global economic activity dropped significantly in 2020, owing primarily to the COVID-19 pandemic. As a result, the number of exports, particularly diamonds, fell, reducing the country's foreign exchange reserves. Before the peak of the epidemic, foreign exchange reserves stood at P65.3 billion at the end of 2019, enough for 12.9 months of import cover. By 2020, foreign exchange reserves had fallen by 18% to P53.5 billion (9.6 months of import cover). The drop was caused by receipts, while demand for foreign exchange to support external government payments and other foreign currency-denominated commitments and commercial institutions' foreign currency requirements remained high. As a result, foreign exchange reserves fell by 4.7 percent in March 2021, reaching P50.9 billion. This amounted to 9.1 months of import coverage.

Conclusion

Africa has made significant improvements in recent decades. Since 2000, GDP growth in Sub-Saharan Africa has averaged 5% each year. The rate is only marginally lower across the continent.

According to a 2019 World Bank research, poverty in Africa (defined as income less than $1.90 per day) reduced from 54 percent in 1990 to slightly over 41 percent in 2015, affecting approximately 400 million people. If the economy grows at its current rate through 2030, the continent's poverty rate will fall to 23%. However, given global poverty reduction rates, this would still represent a growing share of global poverty.

Africa has enormous untapped potential. For example, the world's youngest and fastest-urbanizing continent, Africa, would have 24 million more people living in cities between 2015 and 2045 —beating India and China combined.

This implies significant increases in consumption. Africa's consumer and business expenditure already totals $4 trillion. Household consumption is predicted to rise by 3.8 percent per year until 2025, reaching $2.1 trillion, while business spending is expected to rise from $2.6 trillion in 2015 to $3.5 trillion in 2025. As a result, African business prospects would be worth $5.6 trillion by 2025.

Agriculture offers some of these opportunities: if Africa, which has 60% of the world's uncultivated arable land, increased agricultural productivity, it might produce 2-3 times more cereals and grains, with equivalent gains in horticultural crops and cattle.

Other opportunities exist in infrastructure: Africa still required at least $46 billion in extra spending per year in 2010 to update its energy, water, and transportation networks.

Chapter 8

Can Africa be the Next Player in Grain and Crops instead of Ukraine/India?

A global food crisis, already worsened by the COVID-19 pandemic and climate change, is also exacerbated by the conflict in Ukraine and the ensuing lack of grain exports. This was the case presented to the Security Council during the open ministerial debate on conflict and food security.

"When war is conducted, people go hungry," said UN Secretary-General António Guterres, stressing that 60 percent of the world's undernourished population live in conflict zones. In 2021, the bulk of

the 140 million people suffering from acute hunger lived in 10 countries - Ethiopia, the Democratic Republic of the Congo, Haiti, Nigeria, Afghanistan, Pakistan, South Sudan, Sudan, Syria, and Yemen. "When this Council discusses conflict, you discuss hunger," he said. "And when you don't achieve an agreement, hungry people pay a high price."

In April, the World Food Programme - WFP and its partners distributed food and cash to over 3 million Ukrainians. Also, the Central Emergency Response Fund would release thirty million dollars to meet urgent food security and nutrition needs in Mali, Chad, Niger, and Burkina Faso. The UN Secretary-General warned that 44 million people in 38 countries worldwide suffer from emergency hunger. Noting that the Russian Federation's invasion of its neighbor has effectively ended Ukraine's food exports, with price increases of up to 30% for staple foods threatening people in Africa and the Middle East.

The world has enough food for everyone. However, more importantly, the war in Ukraine must end as it affects not just Ukrainians, but also millions of lives plunged into starvation, especially in struggling economies. Security Council Resolution 2417 (2018) states that products and supplies are critical for human survival. But the difficulty is distribution. In this world of plenty, it is unthinkable to allow a single kid, woman, or man to die of starvation.

Ukraine is one of the world's most significant agricultural countries, and the troubles there might quickly become a global issue. The US Department of Agriculture noted that Russia and Ukraine account for around 19% of global corn exports and 29% of global wheat exports. Ukraine is also the world's largest exporter of sunflower oil, and the threat to supplies has

caused prices to rise, affecting consumers and restaurateurs.

Ukraine produced approximately 80 MMT of grain (wheat, corn, and barley) in 2021 and is forecast to harvest less than half of that amount this year. A 40 MMT gap is enough missing calories that a country like the United Kingdom could only make up by having everyone stop eating for three years. That's the problem with tonnes of grain: a million here, a million there, and you've got a severe problem in your hands. Ukraine possesses millions of tonnes of grain that cannot be exported. If they are not exported, they will be lost in some way.

The total global cereal production is approximately 2,200 MMT per year, which is significantly more than what is required to provide the caloric needs of every individual on Earth. If those 2.2 trillion kilograms of cereal were consumed directly,

they would contain more than seven quadrillion calories, 20% more than the 5.8 quadrillion calories required by the world's roughly 8 billion people to live the year.

Export issues and a projected decline in output will have profound global implications. It implies that there will be famine throughout the planet. The war between Russia and Ukraine purposefully generates starvation in third-world countries, and the rising food costs will disproportionately affect the world's poorest countries. It was impossible to compensate for the Russian blockade of the Black Sea by increasing shipments over the EU's land border since grain takes up a lot of space. The Food and Agriculture Organization - FAO noted that food prices reached a record high in March due to Russia's invasion of Ukraine before lowering marginally in April.

Ukraine boasts some of the world's best agricultural areas and has been modernizing the industry since the fall of the Soviet Union. According to the Ukrainian Ministry of Agricultural Policy and Food, Ukraine produced 106 million tonnes of grain, pulses, and oilseeds in 2021.

"When a nation that is the world's breadbasket becomes a nation with the world's longest bread line, we know we have a problem," said David Beasley, the World Food Programme executive director. Before the Ukraine crisis, the globe faced an unparalleled perfect storm of violence, climate change, and the COVID-19 pandemic. Over several years, the number of people marching to starvation has risen from 80 million to 323 million, and 49 million are at risk of famine in 43 nations.

"When a country like Ukraine, which feeds 400 million people, is absent from the market, it causes

market volatility." "The UN attempts to contact people inside Ukraine, but this does not alleviate the problem outside the country," he said, emphasizing the importance of reopening ports, with 36 countries importing more than half of their grain from that region. Inability to open the ports in the Odessa region would be a declaration of war on global food security, resulting in famines, destabilization, and mass migration worldwide.

The Big Step Up Call for India

Russia's exports must be removed from the equation because of the supply problems and the prospect of an embargo. "India might step in to export more, especially if it has substantial wheat inventories," says Upali Galketi Aratchilage, a UNFAO economist in Rome.

India is the world's second-largest producer of rice and wheat. It had seventy-four million tonnes of the two staples on hand in early April. Of this, 21 million tonnes have been set aside for its strategic reserve and the Public Distribution System (PDS), which provides food to over 700 million underprivileged people. India is also one of the world's cheapest wheat and rice suppliers, shipping rice to almost 150 countries and wheat to 68. In 2020-2021, it exported approximately 7 million tonnes of wheat. According to officials, traders have already made contracts for more than 3 million tonnes of wheat shipments from April to July, responding to increased foreign demand. In 2021-22, farm exports reached a new high of $50 billion.

According to Ashok Gulati, a professor of agriculture at the Indian Council for Research on International Economic Relations, India can export 22

million tonnes of rice and 16 million tonnes of wheat this fiscal year. "It might be substantially more significant if the WTO allows government stocks to be exported. This will assist in moderate global prices and ease the strain on importing countries worldwide, "he says.

However, there are some reservations. "We currently have sufficient supplies. However, there are certain dangers, and we should not get too excited about feeding the globe, "says Harish Damodaran, a Delhi-based Centre for Policy Research senior researcher. First, there are worries about a lower-than-expected harvest. The new wheat season in India has begun, and officials anticipate a harvest of 111 million tonnes, marking the sixth consecutive blockbuster crop season.

However, specialists such as Mr. Damodaran remain skeptical. He predicts the production will be

substantially lower because of fertilizer shortages and weather fluctuations such as heavy rains and early summer heat. "We're overestimating production," he admits. "We'll find out in 10 days."

Experts also raise concerns about fertilizers, a key component of farming. After the war, India's supplies were depleted; the country now imports di-ammonium phosphate and fertilizers comprising nitrogen, phosphate, sulfur, and potash. Russia and Belarus contribute 40% of global potash exports. Fertilizer prices are already skyrocketing globally as a result of rising gas prices.

Fertilizer scarcity could potentially disrupt production throughout the next harvest season. Mr. Damodaran suggests that India investigate "wheat-for-fertilizer partnerships" with nations such as Egypt and Africa. Furthermore, India may confront logistical difficulties in increasing exports if the war continues.

Exporting large quantities of cereals necessitates massive infrastructure such as transportation, storage, and ships—also the ability to begin delivering in large quantities. There is also the issue of increased freight expenses.

In March, widespread anxiety over domestic food inflation reached a 16-month high of 7.68 percent. This is primarily due to price increases in culinary oils, vegetables, grains, milk, meat, and seafood. In addition, the Reserve Bank of India has cautioned of "elevated global pricing pressures in essential food categories," resulting in "substantial uncertainty" about inflation.

What Is Africa's Position?

While Africa is still recuperating from the socio-economic consequences of the COVID-19 pandemic,

the Russia-Ukraine crisis offers a severe threat to the world economy, with several African countries directly affected. Following Russia's invasion of Ukraine, wheat and other crops have returned to the center of geopolitics. Both countries are essential players in the global agriculture sector. African leaders must take notice.

Global wheat, oil crude, and sunflower prices have all reached record highs. Africa relies significantly on food imports from both countries, and the continent is already facing price shocks and interruptions in the commodity supply chain. The conflict is having a severe impact on African food security. The pricing and availability of some food crops, mainly wheat and sunflower, and socio-economic recovery and growth have been prompted by mounting uncertainties in global financial markets and supply chain systems.

Over the last decade, the Continent has seen increased demand for cereal crops such as wheat and sunflower, supported mainly by imports rather than domestic production. Between 2007 and 2019, Africa's wheat imports climbed by 68%, reaching 47 million tonnes. Russia and Ukraine, both known as the world's breadbasket, are significant exporters of wheat and sunflower seeds to Africa. North Africa: Algeria, Libya, Egypt, Morocco, Tunisia, West Africa (Nigeria), East Africa (Ethiopia and Sudan), and South Africa account for 80% of wheat imports. Wheat consumption in Africa is expected to reach 76.5 million tonnes by 2025, with 48.3 million tonnes (63.4%) imported from outside the continent.

Agriculture commerce between African countries and Russia, and Ukraine is significant. In 2020, African countries imported agricultural products worth $4 billion from Russia. Approximately 90% of this was wheat oil, with the remaining 6% being

sunflower oil. Egypt, which accounted for about half of all imports, was followed by Nigeria, Sudan, Kenya, Tanzania, Algeria, and South Africa.

Also, Ukraine exported agricultural products worth $2.9 billion to Africa in 2020. About 48% of this was wheat, 31% maize, and the rest were sunflower oil, barley, and soybeans.

Russia and Ukraine are gigantic players in the global commodities market. Russia accounts for around 10% of global wheat production, whereas Ukraine accounts for 4%. This amount is approximately equal to the total wheat production of the European Union. Wheat is traded in both domestic and foreign markets. The two countries together account for a fifth of global wheat exports. In 2020, Russia accounted for 18%, and Ukraine accounted for 8%.

Western sanctions on Russia have worsened business flows between Russia and Africa due to the closure of critical Black Sea port activities. Bearing in mind that Russia is one of the world's biggest fertilizer exporters. Concerns are mounting that a global fertilizer shortage could drive up food costs, affecting agricultural production and food security.

A Ray of Hope to Lessen Reliance on Food Imports

While the socio-economic consequences are already significant, and the situation remains highly unpredictable, Africa must use the current crisis as an opportunity to lessen its dependency on food imports from outside the continent. In addition, African countries must use their 60% worldwide share of arable land to produce more food for home use and export to the global market. This would reduce the

number of persons experiencing food and nutrition insecurity due to external shocks.

Africa's collective stand on Food Systems

The African Union Commission (AUC) and the African Union Development Agency-NEPAD (AUDA-NEPAD), 2021, collaborated with African countries to develop a common African position in advance of the Food Systems Summit following the African Union's Agenda 2063 and the United Nations' Sustainable Development Goals - SDGs.

The African Common Position is a synthesis and unifying view of reforming Africa's food systems over the next decade, focusing on resilience in the face of increasing vulnerability and shocks. It is based on the CAADP and the Malabo Declaration on Accelerated Agricultural Growth.

One of the game-changing solutions has been highlighted as rapid development in agriculture and food productivity and production. To avoid future disruptions in the supply chain for wheat and sunflower across Africa, producers of these crops must increase their capacity to produce and provide to other nations via intra-African commerce.

Those that do not should think about introducing certain food crops within their agriculture value chain. This would lessen dependency on wheat and grain imports from Russia and Ukraine while encouraging intra-African commerce and expanding Africa's agricultural sectors.

The African Continental Free Trade Area - AFCFTA is a Driving Force in Intra-Regional Agri-Food Markets.

The African Continental Free Trade Area - AfCFTA, which went into force on January 1, 2021, is another tool for reforming Africa's agricultural systems. African countries must capitalize on the world's largest free-trade zone. The trade accord is estimated to generate $2.5 trillion in combined GDP, with agriculture playing a prominent role. The AfCFTA will boost production and value addition while ensuring enough infrastructure and food safety requirements to supply and expand local and regional agri-food markets, provided it is appropriately and adequately implemented.

Africa is home to over 60% of the world's arable land, with billions of lands in investment potential.

Africa has always been short of people, not land, for most of its history. Yet, according to the World Bank, the region has 200 million hectares of suitable land not being used for crops, about half of the world's total and more significant than America's cultivated acreage. This prospect enthralls many people. "Africa is the world's future breadbasket," argues Ephraim Nkonya of the Washington, DC-based International Food Policy Research Institute.

Today, there are two realities in African agriculture: significant progress has been made, yet there is still more potential.

The progress has been astonishing. There had been a 160 percent increase in agricultural production over the last 30 years, significantly exceeding the

global average of 100 percent. Eighteen countries in Sub-Saharan Africa have met the first Millennium Development Goal of decreasing the proportion of hungry people. These advancements have been aided by country-level programs (such as the Ethiopian Agricultural Transformation Agency), cross-border initiatives (such as the Comprehensive Africa Agriculture Development Programme), and pan-African organizations (such as the African Development Bank, AU, and the New Partnership for Africa's Development).

Nonetheless, there is a lot of opportunity for improvement. Despite having 60% of the world's uncultivated arable land, Africa is a net importer of food. Moreover, agricultural productivity and food security have struggled to keep up with the country's population growth, which has tripled in urban areas and doubled overall in the last 30 years. As a result,

Africa is the only continent where undernourished individuals have increased in the last 30 years.

By 2050, Africa will have 2 billion people, and agriculture will be critical to feeding them all. Agricultural transformation must establish social cohesion, positive continental trade, a platform for global exports, and, most significantly, millions of jobs while lifting subsistence farmers out of poverty.

Levels of Agricultural Transformation in Africa

Any development in Africa requires transforming the agricultural value chain at three levels: farmer, market, and cluster.

- **Local Farmers**

  The UN's Food and Agriculture Organization noted that smallholder farmers

produce up to 80% of Africa's food supply, and Africa has an estimated 33 million smallholder farms. Increasing their talents will boost Africa's output and, more crucially, aid in alleviating poverty and malnutrition in the continent.

Increased yields and lower post-harvest losses should be the goals of farmer-level reform. However, it necessitates granular actions that serve as the foundation for long-term economic and societal success. Education, infrastructure, water management, and regulation are areas where assistance is required. In areas like finance, public-private partnerships can assure capability-building support and the creation of structures. Crop-specific government activities in specific places, based on soil and climatological conditions, could also be beneficial.

By their very nature, these programs are relatively local. A pan-African perspective, on the other hand, can help them in three ways:

- Encourage Sharing of best practices. For example, providing a center for farmer associations and governments to share best practices.

- Governmental support. Assisting governments in the development of skills and the coordination of cross-national activities.

- Initiatives involving public-private partnerships. To ensure the coordination and effectiveness of investments, a first "port of call" for significant corporate and institutional investors should be established.

- **Markets Availability**

  Farmers require market access to receive a fair portion of the value chain's profit pool. Good

markets, in turn, provide population food security and aid Africa's agricultural self-sufficiency.

Making markets function is a matter of supply chain infrastructure and data. Governments and private investors must ensure that enough highways, warehouses, processing facilities, and other infrastructure are in place to transport goods to rapidly urbanizing markets. Farmers require information to send their crops to the markets where they can get the best price.

Governments and market actors must build markets that allow for the exchange of domestic products at the regional and national levels. These programs apply to a wide range of crops and goods.

Markets are frequently formed at the country level, but a pan-African strategy would include the best practice sharing and public-private partnership support for farmers. Furthermore,

reducing trade barriers and inefficiencies between countries and freeing up agricultural produce movement across Africa would considerably improve intra-African cross-border trade.

- **Clusters Specific Activities**

  Africa has the potential to become an essential agricultural actor globally, facilitating the export of its products outside of the continent at this ultimate macro phase of transformation. Product availability and production competency are often the subjects of cluster-specific activities.

  New Zealand's dairy exports are an example of macro-level transformation in action. The New Zealand Dairy Board established a forum for sharing best practices among its members to increase production and product quality and actively create export markets for excess products years ago. As a result, some of the dairy board's activities were absorbed into Fonterra. This new

cooperative is now one of the world's largest milk processors and exporters, producing around 22 billion liters of milk each year. Fonterra also produces over 2 million tons of dairy components, specialty ingredients, and consumer products each year, with 95 percent of those items going to other countries. This enables New Zealand to outperform its competitors in the dairy industry. Fonterra-style cluster-specific export programs should be a government priority in Africa. Identifying sectors and coordinating actions across countries are critical steps in a pan-African transformation strategy.

The Russia-Ukraine conflict has highlighted the critical need for policy and investment decisions to sustain and construct viable, resilient, and inclusive food systems on the Continent. The African Common Position on Food Systems outlines avenues for Africa to expand homegrown agri-food production and assure equitable access to sustainable and nutritious food sources while addressing structural weaknesses and

vulnerabilities such as poverty and inequality. The willingness of African countries to implement continental and regional solutions to build and sustain higher resilience in the face of external shocks will be critical to the sustainable transformation of African food systems. Africa's Year of Action for Food and Nutrition Development Goals is 2022.

Chapter 9

Localize Africa better than Globalized: Get a Self-Sufficient Africa Supply Chain.

Africa is one of the world's fastest-growing consumer markets. In recent years, household consumption has grown faster than the country's gross domestic product (GDP), and the average yearly GDP growth has continuously outperformed the global average. Moreover, Africa's emerging economies provide exciting potential for retail and distribution expansion due to rising prosperity, population growth, urbanization rates, and the rapid spread of internet and mobile phone connectivity across the continent.

Indeed, consumer spending on the African continent has increased at a compound annual rate of

3.9 percent since 2010, reaching $1.4 trillion in 2015. This value is projected to rise to $2.1 trillion by 2025 and $2.5 trillion by 2030. Furthermore, if the Continental Free Trade Agreement (CFTA) is effectively implemented, a unified continental market for products and services will be operational in 2030, providing firms with many entry points to the continent and a potential market of 1.7 billion people.

According to studies, African customers are savvy and brand loyal. Local sellers are enterprising and valuable assets to distribution chains. At the same time, even in the most established retail and distribution systems on the continent, the vast bulk of consumer spending occurs in informal roadside markets. This disparity indicates significant development potential as African consumers migrate from informal to more formal modes of consumption, including shopping malls, supermarkets, and, eventually, e-commerce, a trend that is currently

happening in all but the most unstable and underdeveloped countries.

Foreign investors are increasingly interested in relatively frontier countries, citing grounds such as the tax and regulatory environment's favorability, the political system's stability, availability of human and financial capital, and closeness to vital markets. When recent challenges raised the level of country risk in Nigeria, the most prominent African economy and a historically popular West African target for foreign investors, many companies looked to Ghana to establish their regional hub of operations, as its healthy business climate is bolstered by a stable, civilian-led democratic regime and an increasingly peaceful neighborhood.

Nigeria, Egypt, and South Africa will be the largest consumer markets by 2030. Other African countries with promising potential include Algeria,

Angola, Ethiopia, Ghana, Kenya, Morocco, Sudan, Tunisia, and Tanzania. Ethiopia, for example, has been claimed to be one of the world's fastest-growing economies over the last decades, with an average annual GDP growth rate of 10.5 percent from 2005-06 to 2015-16. Furthermore, with one of the continent's highest savings rates, its economy reflects a more steady and secure consumer sentiment. The administration has also taken advantage of the country's connectivity boom by establishing the Ethiopia Commodity Exchange (ECX) to assist in overcoming market distortions, particularly in the agriculture sector. Every month, the ECX call-in service receives around 1.5 million calls. Like Coca-Cola and Heineken, foreign firms see Ethiopia's potential and have made significant investments. More broadly, African business leaders and investors, such as Aliko Dangote, are aggressively investing across the continent, demonstrating their optimism about the future of African consumerism.

Nevertheless, measuring up to the global market standard is long for many African countries. Small developing countries have no alternative but to integrate into global markets if they want to succeed at the current rate of globalization. Because of the fragmentation inherited from European invaders, Africa has many small, impoverished economies, making it the continent most prone to ethnic conflict. On top of that, African countries erect the most formidable artificial barriers along their borders. It is time to make a shift. African governments must devise practical approaches to reopening economies in a controlled manner that restores critical industries while maintaining safe working conditions.

Sub-Continental Route

Except for the continent's two dominant economies––South Africa and Nigeria––the continent's countries have small domestic markets, limited economic diversification, and generally poor connectivity with neighboring countries, reducing proximity between economic agents within and between the African continent and the rest of the world. However, the international community's approach to assisting Africa (particularly affluent countries and international financial institutions) has been fundamentally country-specific, putting out regional flames that threaten to become global: genocides, pandemics, religious wars, etc. This technique has merits, but the continent suffers from the triple disadvantages of low economic density, significant distance to markets, and deep divisions requiring a different approach. It would benefit significantly from a regional approach, as indicated by the World Development Report 2009.

One strategy is to provide the region privileged access to leading global markets, as envisaged by the African Growth Opportunity Act (AGOA) and Everything But Arms (EBA), two preferential accords extended by the US, and the EU, respectively, since 2001. However, not all African countries have profited from this access, including West African ones. West Africa is home to two of the most sophisticated regional economic groupings. The West African Economic and Monetary Union - WAEMU has a shared monetary policy that has kept inflation under control and a customs union with a compensating mechanism to maintain the Common External Tariff. The Economic Community of West African States - ECOWAS supports a regional military force and applies peer pressure on its member countries to prevent military coups. Something more is required.

With the demonstration effect of ECOWAS/WAEMU, the international community

could shift to a "contract with African neighborhoods" involving the neighborhoods' leading and lagging countries and the donor community providing the right incentives to ensure developmental regional cooperation initiatives. For example, governments in East, Central, South, and West Africa may pledge to:

- Creating "African Economic Areas" to bind the economic interests of leading and lagging countries in each geographical area.

- Enabling and sustaining free movement of labor, capital, goods, and services within these zones.

- Maintaining and protecting access routes between landlocked countries and commerce outlets and creating political space to encourage investment in regional infrastructure.

In exchange for these actions, bilateral and multilateral development partners could commit to the following:

- A significant increase in aid for improved social services and other life-sustaining infrastructure aims to raise living standards and create portable human capital in developing countries.

- Increased financial assistance for growth-sustaining infrastructure in the leading countries where economic takeoff is most likely and infrastructure to connect the markets of major top countries with labor, capital, goods, and ideas in smaller neighbors.

- Preferential access to high-income nations' markets for Sub-Saharan African exports, without onerous rules of origin or eligibility criteria that stifle rapid expansion in intermediate input commerce with other developing economies.

The COVID-19 situation will undoubtedly last for some time, and there is a significant risk of virus return. As a result, governments will need to have the ability to switch between reopening and constraining economies at the granular, local level, similar to building and flexing a muscle. It entails setting structures that can checkmate potential economic risk and limitate poverty. Covid-19 may be devastating, especially to African economies, but it also underscores the pathway for Africa to be self-sufficient and not heavily reliant on foreign economies.

Looking ahead, the current crisis-driven activity includes the seeds of a large-scale reimagining of Africa's economic structure, service delivery mechanisms, and social contract. The crisis hastens trends like digitization, market consolidation, and regional cooperation and generates significant new opportunities, such as boosting local manufacturing, formalizing small enterprises, and upgrading urban

infrastructure. Businesses and governments must take immediate actions to rebuild health systems, leverage the world's economic reality, and plan for the continent's "new normal."

A Focus on Supply Chain to Boost Economy

African governments have implemented a slew of legal, social, and financial safeguards to stem the spread of the coronavirus, save lives, and lessen the consequences of the epidemic on their economies, but at a tremendous social and economic cost.

The crisis has highlighted Africa's reliance on foreign trading partners, among other factors. Trade restrictions and cross-border blocks have hampered trade with these countries, causing shortages and raising the cost of critical commodities. In addition, tourism, transportation, and logistics services are

among the vital service businesses on the continent that have been severely impacted. In light of these new problems, Africa has an excellent opportunity to reinvent itself by establishing a dependable, profitable, and sustainable supply chain across the continent. It, therefore, necessitates looking at the necessity for a paradigm change to an African supply chain and the potential accessible to diverse actors.

The Paradigm Shift

It was anticipated that Africa's manufacturing industry would decrease by 10% in 2020, resulting in a drop in exports of more than USD 50 billion. While Africa has a sizable export sector, over-reliance on foreign commodities imports has been a recurring element in the continent's economic woes.

Personal protective equipment ("PPE") was in short supply in economies around the world during the peak of the pandemic in 2020, with countries such as the United Kingdom, Germany, and many others unable to provide adequate amounts of PPE to healthcare workers, frontline workers, and the general population. Africa was not spared, and the impact was heightened because drugs and personal protective equipment (PPE) used on the continent were provided mainly by European countries, struggling to meet domestic demand themselves. According to the OECD, Africa imports a whopping 90% of its pharmaceutical products from outside the continent. With 51% coming from the EU, 19.3% from India, 5.2 percent from China, and 4.3 percent from the United States of America. All of which were (and continue to be) severely affected by the pandemic.

In 2020, the need to become self-sufficient has grown even more apparent. In 2020, The African Union

African Peer Review Mechanism presented its report on Africa's Governance Response to COVID-19 (AU Report) in July, citing overreliance on foreign trade partners as a crucial element in assessing COVID-19's impact on Africa. According to the AU Report, Africa should use the current pandemic to increase its internal production capability, gradually moving to an African supply chain.

"The solutions lie in a collaborative and unified African strategy and African people's innovation," AU noted. It is already demonstrated in African nations' responses, such as developing one-dollar COVID testing kits in Senegal or producing life-saving ventilators in Nigeria, following the establishment of National Emergency Operation Centres, which coordinate the pandemic response across sectors. These pharmaceuticals and medical supplies were most likely imported from other countries.

The call for a change in the status quo regarding Africa's import dependency is a central element of AU's Vision 2063, which emphasizes the importance of trade in building a better future for Africa. Vision 2063 intends to create projects and frameworks to reduce trade restrictions that African enterprises have historically encountered and improve the value chain on the continent. This is essential since many African economies have remained primarily raw material exporters, importing processed products from the essential commodities they export. Its goals are to create a larger market for goods and services produced by Africans and sold to Africans.

The African Union's Vision 2063 predates the COVID-19 pandemic, but it demonstrates the AU's resolve to prioritize intra-African commerce in its successful strategy. The formation of the African Continental Free Trade Area (AfCFTA) in 2018 was a key component of Vision 2063. It encouraged intra-

African trade freedom, resulting in more employment and foreign investment in the continent's development.

However, since its inception, the AfCFTA's issues have been exacerbated by the COVID-19 pandemic: its trade start date (initially set for July 2020) was pushed to January 2021. in his address to the AfCFTA, President Ramaphosa, in August 2020, expressed optimism about the AfCFTA's future impact, and the "paradigm change" that the AU has asked for has already begun.

There are various regional economic communities in Africa (RECs). These organizations were founded to achieve greater regional integration through customs and monetary unions, free trade zones, and uniform regulatory and legal frameworks. However, the structure for establishing these RECs has been implemented relatively haphazardly. Regional

integration is critical for more remarkable economic growth, job creation, employment, poverty reduction, an influx of industrial development, foreign direct investment, and better continent integration into the global economy while developing an intra-African supply chain.

The coordination and solidarity observed between African governments and RECs in the pandemic aftermath is a hopeful sign that the continent can overcome the current challenge.

African Response – Kenya's Case Study

Kenya is a significant actor in intra-African trade. According to the World Bank's Ease of Doing Business Report 2020, Kenya placed 56th out of 190 countries in terms of having the best business climate and third, behind Rwanda and Morocco, in the top

percentile of Sub-Saharan countries favored for business. The pandemic has impacted Kenya's business environment, with imports from other countries declining dramatically, resulting in shortages of capital goods, raw materials, and delays in receiving consumer items. Kenya, on the other hand, is quickly responding to the issue. Private sector enterprises like East African Breweries Limited and Bidco Africa, for example, have previously engaged with small-scale farmers to produce and provide raw materials such as barley, sorghum, wheat, soya beans, and sunflowers. This fosters entrepreneurship, income for farmers, and agribusiness prospects.

Kenya is a member of numerous RECs (COMESA, EAC, and IGAD). It has also joined the AfCFTA. However, the outcomes of such participation have been suboptimal due to the uneven distribution of natural resources among states. Low trade complementarity between states, resulting in stagnant

inter-industry trade in Africa, difficulty finding efficient and affordable technologies to align with domestic market conditions, and difficulty securing external and domestic markets for manufactured goods. A great opportunity lies for Kenya and other African states to re-examine the African trade landscape concerning current market trends and to develop more appropriate frameworks in support of an intra-African supply chain, such as harmonizing inter-country trade laws and regulations, harmonizing tariffs, and contemplating the feasibility of a uniform currency for the continent. Being one of Africa's most sophisticated and rapidly rising economies, Kenya will benefit significantly from RECs in the medium future.

Transport infrastructure has also long been a hindrance to effective intra-African commerce participation. The cost of transporting commodities across African countries raises the price of the items. To speed the transportation of products within Africa,

African countries must strengthen their maritime networks and integrate road and sea freight. The Kenyan government has attempted to enhance transportation infrastructure investment through direct budgetary allocations and collaboration with the private sector in recent years. The Lamu Port-Southern Sudan-Ethiopia Transport (LAPSSET) corridor is an example of a combined road, rail, and pipeline network that connects Kenya's eastern seaboard with its landlocked neighbors. When finished, the LAPSSET railway will connect to West Africa's Douala–Lagos–Cotonou–Abidjan Corridor, which runs through Côte d'Ivoire, Ghana, Togo, Benin, Nigerian, and Cameroon, reducing dependency on the overstressed Mombasa Port. This will put Kenya in a better position to support increasing continental and international commerce. Furthermore, with the speedier flow of commodities between East African countries, the Standard Gauge Railway has made Kenya the favored entrance and export point in East Africa.

Technology, another critical driver of intra-African commerce, remains underdeveloped in Africa compared to countries such as the US, China, North and South Korea, and Japan. Technology provides an opportunity to improve areas such as agriculture and industry by leveraging automation and artificial intelligence. These high-growth sectors, supported by innovative technology and human capacity, may advance sustainable development, maintain inclusive growth, and connect supply chains in Africa by increasing productivity, efficiency, and safety. Quality first-generation internet and communications infrastructure are required in Kenya. However, most people still cannot afford internet access and those who can complain about poor service. The Kenyan government only recently legislated on the usage of drone technology, which has become a valuable asset in industries such as agriculture and healthcare around the world. There have also been initiatives to improve

data collecting and privacy by enacting data protection regulations. However, there are significant gaps in this regard.

Local entrepreneurs have a once-in-a-lifetime opportunity to collaborate with telecommunications corporations to build large-scale telecommunications infrastructure that will give formidable solutions such as quicker and cheaper internet connectivity. Also, drone technology is becoming a necessary solution to some of the problems in Kenya's, Africa's agriculture, and healthcare sectors. Local entrepreneurs may consider partnering with drone technology providers to circumvent infrastructure challenges and reduce consumer goods delivery time. Adoption of solid information technology legislation is also critical in ensuring that suitable legal processes are in place to encourage technological growth while mitigating the myriad hazards that come with it. The benefits of information technology in supply chain management

include increased control over production through improved visibility and accountability in the production process, better inventory management, which reduces working capital and production cycle stoppages, and efficient manufacturers' tracking and delivery of products. Kenyan firms such as Twiga Foods Limited are cutting food costs in Africa by utilizing B2B data to improve the efficiency of food supply chains. Such technical advancements will help Africa maintain an independent supply network.

Africa has much potential, but it also has many obstacles. Building an effective supply chain will require time and effort. All relevant parties must improve African supply chains by integrating, collaborating, optimizing, and enhancing technology, skills, and infrastructure. This will increase African economies' self-sufficiency. In the future, Africa will have adequate safeguards in place to survive the

effects of another global crisis, requiring less foreign help.

Chapter 10

Safer Routes and Roads – The Way Europe Moved forward.

Many African economies have grown significantly in recent years. This expansion might have been considerably more significant if the countries involved had adequate transportation infrastructure. Roads are only one aspect of transportation. Passengers and freight travel in Africa, as anyplace else, is mostly "intermodal," involving road, rail, maritime, and even air transit. However, over the last 15 years, the road sector in Africa has made the most progress in both institutional and financing terms. Particularly with the establishment of road agencies and road funds financed, in many countries, by fuel levies, 80 percent of Africa's leading road network is now deemed to be either sound or fair.

While there has been improvement, the obstacles remain enormous. With an average of 204 kilometers of highways per one thousand square kilometers, just one-quarter of which are paved, national road density trails considerably behind the global average of 944 kilometers per 1,000 square kilometers, more than half of which are paved. According to the World Bank, "between 60,000 and 100,000 kilometers of roads are required to provide intracontinental connectivity" in Africa. There are now just a few significant regional trunk roads connecting deep-sea ports to economic hinterlands. Total 10,000 kilometers. Due to low road density, Africa's rapidly rising cities face increasing congestion, impacting economic development and being a significant source of pollution and accidents. African roads are the deadliest globally, with a traffic injury fatality rate of 32.2 per 100,000 inhabitants - a similar momentum in nations such as the United Kingdom, France, and

Sweden between four and eight deaths per 100,000 population.

The road network in Africa is still poor. National and international medium- and long-distance corridors must be established or improved to facilitate connectivity between capitals and other significant urban and industrial centers. International corridors will significantly help landlocked countries by providing much-needed road access to deep-sea ports. There is also a need to improve all-season road connections between major cities and provincial regions. Particularly "higher value agricultural regions" and mining areas, and decongest high-density cities by constructing new, more comprehensive, and safer paved roads that allow access to and circulation within such cities.

The situation is difficult but improving, and several research and reports have revealed the need to improve.

There are currently many privately-financed road projects in many parts of Africa – some completed, some still in the planning stages. Demonstrating that private funding can and will play an increasing role in the financing and development of the African road network. However, certain legal and institutional concerns must be identified and solved to facilitate the successful implementation of road PPPs in Africa. The majority of them, of course, are no different from those encountered when creating and financing roads in other regions of the world; nonetheless, solutions in Africa will sometimes differ dramatically from those that apply elsewhere.

Road projects Must be Relevant to The Economy and Health Sensitive.

To put it simply, a newly constructed, project-financed road project, like any other infrastructure project, must make economic sense. If the road is tolled, the government and the users must be able to finance it. Affordability concerns not just the initial construction investment but also the ability – from an institutional, operational, and budgetary standpoint – to regularly and efficiently maintain and replace the road infrastructure. This continual requirement is frequently a substantial issue, particularly in nations with adverse climatic conditions such as prolonged rainy seasons or harsh desert conditions. In addition, the project must have evident economic and health benefits, such as connecting an urban or industrial center to a port or another mode of transportation infrastructure (such as an airport) or "de-bottlenecking" a crowded metropolitan region facilitating freight other traffic separation. The Dakar-

Diamniadio Highway project in Senegal, for example, not only provides a faster, safer, and more efficient link between Dakar's city center and the new Diamniadio economic center, as well as the Blaise Diagne airport. But also serves as a junction between Dakar port and the Dakar-Bamako-Ouagadougou-Niamey Trans-West African highway.

Institutional Structures

Although roads are not the most challenging type of infrastructure to construct and operate, good road infrastructure planning, finance, management, maintenance, and policing necessitate a solid institutional framework. It is widely known that countries with road funds – particularly those with reasonable gasoline charges – have systematically superior road funding and are far more likely to implement road maintenance requirements successfully. Several African countries, including

Nigeria, Senegal, South Africa, and Uganda, have road agencies with varying degrees of autonomy and responsibility, ranging from complete independence in road network management (including contracting out public works) to limited responsibilities for governmental road construction programs. Many African countries have earmarked funds for road maintenance and construction, either through fuel charges (as in Tanzania and Rwanda) or budget allocations (as in Benin, Côte d'Ivoire, Ethiopia, Zambia, and Gabon).

Legislation and procurement/contracting frameworks

To provide a good foundation for private sector involvement in the road sector, institutional frameworks for road infrastructure must be created concurrently with enabling laws.

Such enabling legislation will include provisions for adopting appropriate procurement and contracting schemes, such as fixed-payment, performance-based maintenance contracts, and various types of private infrastructure finance schemes commonly used to procure privately-financed roads, such as concessions or concessions availability-based PPPs. Uganda, for example, has passed enabling laws to assist the forthcoming start-up of the Kampala-Jinja Expressway project. The new PPP law will serve as the governing legislation for any future PPP initiatives in Uganda. In addition, the new act specifies the tender process that must be followed and the approvals needed to bring PPP projects to fruition.

Regulatory Framework

Enabling legislation is frequently required to establish a strong and stable framework for traffic regulation. Toll collecting and enforcement will

require legislation to be permitted and organized. In several countries where certain laws already exist governing the construction of roads (including planning, land acquisition, and contracting), access to highways, and the regulation, operation, and policing of roads, it will frequently be required to evaluate and amend existing legislation to ensure that it allows for privately funded projects while also providing a clear, comprehensive, and stable framework for project development and operation. This will entail things like:

- enhancing rule enforcement against encroachment (a severe problem in many African countries);

- limiting landowners' ability to construct their road access; allowing private operators to thoroughly conduct their safety and maintenance tasks to

operate the road without competence overlaps or interference from other authorities; and

- defining the roads authority's powers, particularly in terms of funding and toll revenue management, and disposal

Land Purchase and Its Environmental Consequences

Land acquisition is usually a touchy subject in road construction (as with any linear infrastructure projects, such as rail and pipeline). Land acquisitions in Sub-Saharan Africa and the protection of the selected land corridor create difficulties similar to infrastructure development in most emerging countries. Urban road projects that cross shanty towns, for example, involve individual expropriation compensation difficulties and broader social ones, as

they often necessitate the relocation and resettlement of families and economic and commercial activity. In addition, the concession or PPP contract will frequently impose unique compensatory requirements imposed on the private sector concessionaire or PPP company, which may occasionally go beyond the standard scope of compensation responsibilities of a roads concessionaire, such as noise protection walls, green space planting, improved sanitation, and funding for community activities.

Tribal property ownership restrictions in remote places can make land acquisition time-consuming and complicated. Similarly, the proposed road's environmental impact must be studied and considered, including ecological mitigation and compensation methods. For example, the initial stretch of the Dakar-Diamniadio Highway project crosses classified forests in Mbao and Sébikhotane, resulting in the contract imposing certain environmental

protection limits and requirements. As with other infrastructure and power projects, identifying and managing environmental issues is critical for road projects involving international commercial lenders and multilateral agencies with increasingly stringent environmental and social impact management and compensation requirements.

Traffic Risk and The Best Payment Structure

A fundamental difficulty in private finance road projects anywhere globally is how to control traffic risk and identify the appropriate payment structure. "Common sense" would ordinarily conclude that the African road market is insufficiently stable and mature to shift traffic risk to the private sector. However, industrialized countries recently had a run of high-profile failures of revenue risk on toll road projects. So

how can such a strategy be anticipated to succeed in less developed African countries? While it is probably correct to say that the revenue risk model is unlikely to be the most appealing model for sponsors or lenders, it has the apparent advantage from the point of view of the public authority that the public sector does not have to contribute from its funds or, at the very least, that such a contribution is minimized.

Model of Revenue Risk

A 25-kilometer section of tolled road in the Dakar-Diamniadio Highway concession in Senegal demonstrates that the revenue risk model may be viable in Africa. With a total cost of FCFA 800 for motorcycles, FCFA 1,400 for cars, and FCFA 2,700 for trucks to travel the Dakar-Diamniado highway. With average traffic of more than 40,000 cars per day, the project demonstrates that, If all of the necessary criteria

are met, it is feasible to finance a revenue risk road project in Africa privately. Furthermore, utilizing the tolled part of the road is faster (saving up to 75 minutes of travel time and fuel expenses), safer, and cheaper than the previous route, requiring vehicles to pay substantially more significantly than the toll to informal "toll collectors" frequently.

However, it is fair to know that while the Dakar-Diamniado Highway project was clearly "project financed," "private funding" comprises only a tiny fraction of its financing. The project co-sponsors, a Senegalese commercial bank CBAO (Attijariwafa Bank) (€6m) and French company Eiffage (€32m in equity), provided €38m (16.5%) of the €230m financing package, with the rest supplied by the Senegalese State (€120m) funded by the African Development Bank (ADB), Agence Française de Développement (AFD), and multilateral development banks. Similarly, the 16.5 km connection to the Blaise Diagne airport

required a total of €122 million in new investment, supported mainly by a state subsidy and development banks. Revenue-risk road projects in Sub-Saharan Africa will need the backing of solid multilateral organizations and the ECA for a long time to come.

In rare cases where the traffic risk is manageable for the private sector (such as the Dakar-Diamniado Highway), revenue-risk-based models are unlikely to be the norm for African road projects. Where traffic risk is to be passed to a concessionaire, sufficient flexibility in the structure will be needed to allow for adjustments if the project underperforms or outperforms significantly.

Model for Availability Risk

Instead, public authorities and funders will frequently choose the established availability risk

model, which the market is familiar with and for which lenders have demand. The concept appears to be better suited to financing and developing non-standard projects in untested contexts with no verifiable traffic history or clarity regarding public approval of road user fees. This is not to say that structures will never involve actual tolls. Still, instead, traffic risk will ultimately be maintained by the public sector (the State and the relevant roads authority). With the private sector operator being compensated through availability payments and where a real toll is implemented, toll revenues are being collected on behalf of and paid to the authority.

Government Assistance

In turn, the architecture of availability-based projects poses the challenging issue of government support in assuring availability payments, mainly

when the payment is provided by a road agency constituted as a corporate company. The central government will frequently be deemed necessary to guarantee the responsibilities of road authorities to make the relevant project bankable. Aside from the natural reluctance of public authorities to organize infrastructure projects based on a government guarantee, the issue of such securities will frequently necessitate legislative approval, which is another possible risk element for the project.

Conclusion

The difficulties in developing privately-financed road infrastructure in Africa are enormous. It will, however, take a while before project financing becomes the norm for African road network development. However, the few completed African road projects like South Africa's N3 and N4, Senegal's

Dakar-Diamniado-Blaise Diagne Airport Highway – have demonstrated that, when all of the requirements are met, the project finance may be a viable option, even for revenue-risk projects. Of course, projects will need strong governmental and multilateral support to be realized. Still, it is likely that when other non-revenue risks or availability-based structures are put in place for the implementation of good projects, the appetite of private sector players for projects will grow. As a result, sponsors' and commercial lenders' share of project financing will gradually increase.

It is essential to recognize that infrastructure development is not the only difficulty African countries face. According to economic studies, while road infrastructure quality is crucial, regulation and market systems are the "binding limits on performance in international corridors" in Africa. As a result, while improving and developing road infrastructure is critical, it will also be necessary to liberalize and

regulate transport services in general, utilizing the new infrastructure to ensure that the African economy as a whole (rather than just the haulage and logistics industries) truly benefits from improved road infrastructure. When dealing with road safety issues in Africa, consider that the solutions presented to solve them must be viewed in their context. While considering worldwide best practices is essential, African stakeholders should become owners of the interventions addressing their challenges and take responsibility for developing and implementing appropriate solutions with proper technical help.

Conclusion

Together We Walk - Separated We Crumble

It has been 60 years since Ghana's Kwame Nkrumah campaigned for African political unity. That imperative is now economic, as A new powerful platform is attempting to persuade policymakers that collective self-determination is in the best interests of the continent. More than 60 years after Ghana's founding president Kwame Nkrumah launched his drive for a united Africa, a varied mix of activists, entrepreneurs, technocrats, and politicians will gather in Addis Abeba from January 24 to 31 to urge continental unification once more.

Their purpose is to urge African leaders at the African Union (AU) gathering to push Africa aggressively toward unity. Some have already acknowledged the necessity for immediate action. "Only about 10-12 percent of African trade occurs within the continent," Mauritian Prime Minister Navinchandra Ramgoolam points out, "compared to 40 percent of intra-North American trade, 57 percent of intra-ASEAN (Association of South-East Asian Nations) trade, and 63 percent of intra-Western European trade."

Although Nkrumah urged Africans to seek the political kingdom – referring to colonial-era nations and apartheid in South Africa — the message from this new generation of activists is economical. For them, Africa's economic and political fragmentation into 53 states impedes progress and the opportunity to build on the continent's more robust performance over the last decade.

The recent escalation of trade hostilities between China and the United States has slowed the global economy, resulting in unpredictable commodity markets. An international industrial downturn has resulted from trade frictions and sluggish global demand. Furthermore, a no-deal Brexit might exacerbate global economic troubles, which appears increasingly possible. The pandemic and the ongoing Russia-Ukraine conflict wreak havoc on the global economy.

So, why should Africans be concerned with the global economy? The direct answer is that if the worldwide economy sneezes, Africa's current cold could soon turn into a severe episode of the flu. The African economy remains unstable and reliant on the foreign market. Africa suffers the most terrible consequences when there is an economic crisis worldwide.

The way forward is to unify the African market. African integration would result in a combined African GDP of more than three trillion dollars per year, a boost in consumer spending to around US$1.4 trillion in 2020. an increase in intra-African trade of up to US$35 billion per year, or 52 percent above the baseline by 2022, according to Ambassador Quartey, who added that increasing intra-African trade is the most efficient mean of achieving African growth and development.

"However, to trade," Ambassador Quartey pointed out, "Africa must first produce — and not simply primary commodities." We must start applying science and technology to manufacturing." "Statistical evidence has revealed that intra-African commerce has tended to be primarily in processed foods; that is, items and commodities to which value has been added," he noted.

Policymakers and businesses must now collaborate to advance economic reforms and enhance the fundamentals that underlie development. One objective will be to diversify exports and national revenue streams to reduce the volatility when commodity prices fluctuate drastically. This is crucial for strengthening Africa's ability to finance its development by mobilizing domestic resources through improved tax and customs collection and finding strategies to encourage more savings.

Countries will need to increase pension provisions, expand access to banking and financial services, and deepen their capital markets. Better urbanization planning is essential for unlocking the maximum growth potential and making African cities competitive. A more significant focus on extending power supplies and electricity is required to address the number one problem in the corporate

environment. Three more critical areas for growth require attention: upgrading educational institutions to produce the skills needed now and, in the future, expanding regional integration initiatives to open regional industry and trade, and improving Africa's physical and digital infrastructure.

The recent economic and political turmoil in sections of the continent has undoubtedly been jarring, but it has not disrupted Africa's growth story. The IMF estimates that Africa will be the world's second-fastest expanding area between 2016 and 2020, with an annual growth of 4.3 percent. However, the past five years have demonstrated that Africa's economic lions must improve their fitness to maximize their potential and continue their march to wealth.

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